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SENATE TO MAKE AMENDMENTS TO GRAND TRUNK BILL

All Five Stocks May Be Submitted To Arbitration

CASSELS ON BOARD

His Appointment Likely to Clear Air So Far as Opposition in the House is Concerned

By Resident Representative.

OTTAWA.—The fact that Sir Walter Cassels, Chief Justice of the Exchequer Court, has been appointed as third arbitrator in the matter of the stock will probably have the effect of greasing the ways for the passage of the Grand Trunk Bill through the Senate. There is a good deal of confidence in his fairness and good judgment, and with him as "third man in the ring," there will be a feeling that Canada will get fair treatment.

A good deal of the Opposition in the Senate has been due to the fear that the unknown third arbitrator might be inclined to put over a "deal" In politics he was a Liberal, but never active. Recollections of him in the Maritime provinces may not be altogether pleasant, as he was the investigating judge at the time of the blow-up in the Marine Department about ten years ago.

Senate Amendments

The present outlook is that the bill will not go through the Senate without certain amendments, including some of those which have already been proposed by the Opposition in the House, but voted down. The Government agreed with the spirit of them, but felt that it could not make peace with the Grand Trunk Company if it allowed them to go through. Over what the Senate does it has no particular control and, therefore, would not be open to the same trouble with the Grand Trunk company if the amendments were made.

It is suggested that all five stocks—guaranteed, preferred and common—may be referred to arbitration. The Government probably would not protest against such amendment. The Cabinet originally wanted to have all five stocks referred to arbitration, but the Grand Trunk refused to accept this so a compromise was reached whereby the present guaranteed stock was continued as non-voting stock, the Government guaranteeing four per cent. dividends with the privilege of purchase at the end of thirty years, the value of the other stocks to be submitted to arbitration.

Shareholders Position

If the Senate insists on this amendment the Government will have to place the position before the Grand Trunk directors, and they would probably be willing to arbitrate all the stocks. Those conversant with the affairs of the company believe they are in such a shape that the Grand Trunk would be willing to agree to almost anything if pressed. With such amendments the bill would probably pass the Senate. Otherwise there would be a good chance of the anti-Government ownership advocates in the Senate winning out.

The normal Government majority in the Senate is only thirteen, and it is certain to be very far from normal on this measure, so a compromise is necessary. The bill will likely reach the Senate on Monday. Two days should be enough to see it through there, if the situation is as above diagnosed.—T. M. F.

COAL IN SASKATCHEWAN

Important Discoveries Reported From Swift Current

By Resident Representative.

SWIFT CURRENT.—That coal exists in large quantities in the district northwest of this city is the belief among local capitalists who for over a year have been quietly prospecting. The work has been carried on principally between Cabri and Pennant, and investigations have established that a large body of coal exists there. The vein uncovered in half a dozen places, measures from ten to twelve feet. The quality of the coal has not been fully determined yet, but enough confidence has been shown in the find to cause many claims to be staked and over three sections of land have been filed on.

WANT WATER SUPPLY

Big Scheme to Supply Moose Jaw and Regina

By Special Representative

MOOSE JAW.—Citizens of Moose Jaw have given their hearty co-operation to a proposal made by the Regina Board of Trade that a strong effort be made towards securing a water supply from the South Saskatchewan River from which to serve the cities of Regina and Moose Jaw and intervening centres. An estimate of the cost and feasibility of the scheme was made several years ago, but nothing has been done since. The cost would run into many millions, but a first-class supply of water could be secured.

H. H. VAUGHAN LEAVES DOMINION BRIDGE CO.

General Manager Devoting Time to Armstrong-Whitworth and Other Interests

By Resident Representative.

MONTREAL.—It is learned that H. H. Vaughan, who succeeded George H. Duggan as general manager of Dominion Bridge Co., when the latter became president, has resigned and is now devoting his attention to Armstrong-Whitworth Company, of which he is a director, and other interests with which he is closely connected. THE FINANCIAL POST learns that it is improbable that the Dominion Bridge Company will appoint a successor much before the annual meeting, which takes place early in the new year. The company's fiscal year closed on Friday of this week.

N.S. MINERS MAY ASK AMERICAN PAY SCALE

President of Workers Foreshadows Further Demands on Mines

While officials of Nova Scotia Steel and Coal are away looking for markets abroad, it looks as though labor trouble may be brewing at home. The president of the Mine Workers has announced that the Nova Scotia coal miners will be guided by the action of the miners in the central competitive fields in the United States in their demands upon the coal mine operators in Nova Scotia. This means, says this official, a six-hour day, five-day week and a 60 per cent. wage increase. This would affect the Dominion Steel Corporation and the Scotia industries. Scotia common continues to show strength, being, at last sales, at 86⅞. Preferred, while there have been few sales to judge by, is firm at 105.

COMMERCE BOARD TO TRY COMBINE CASE

Canadian Laco-Phillips Company Brings Action Against General Electric

OTTAWA.—On November seventh the first case tried by the Board of Commerce will be held. Action is being taken under Section 13 of the Combines and Fair Prices Act, which provides that where the holder of a patent has made use of his rights to restrain trade in such article, limit the manufacture, enhance the price or lessen competition his patent rights may be revoked.

The Canadian Laco-Phillips Company has brought this action against the Canadian General Electric. The plaintiffs are makers of tungsten lamps in Toronto, and have to use tungsten wire, of which the defendant company has a monopoly under their patent. They have also patents for the manufacture of lamps. The Laco people desire to compel the Canadian General Electric Company to sell them supplies of this wire so that they may be in a position to compete with them.

The Laco Company contends that the defendants refuse to sell this wire only because they have a monopoly, and that they must not use their monopoly as wire manufacturers to advance their interests as lamp manufacturers.

This will be the first formal combines case tried, and comes before the full board.

Silver advanced this week to a new high record of $1.23¼ per ounce, and sales for immediate delivery were put through in New York as high as $1.28. This is the highest price recorded for silver in about 75 years.

CRISIS MAY SOON ARISE BETWEEN CAPITAL-LABOR

Present Conditions Cannot be Expected to Last

PRODUCTION IS LOW

Shortage of Goods and High Prices is Result — Workers Less Efficient—Profit-Sharing Not a Success

At writing there appears to be little chance of averting the coal strike in the United States. But for the present the effort will not be regarded with serious apprehension. On the one hand there is the war experience to aid in controlling distribution and consumption and on the other there is the steel strike as an example of how the intelligent forces in labor can be used to offset the efforts of the radicals. The danger appears to be rather that the strike may extend to other industries in accordance with the views of those leaders who argue that labor is fighting for its life. The outcome of the Conference at Washington will be seriously awaited. Regarding the present relations between Capital and Labor, J. S. Cornwell has written interestingly in THE BACHE REVIEW:

The unrest and dissatisfaction is mainly on the workers' side. Capital, or the employer, has no grievance to be assuaged, except perhaps that present day labor is not working up to full normal efficiency; consequently, production is being curtailed, and things, including prices, made it hard for all of us.

The object, then, to be brought about, is to arrange so that the workers will be satisfied.

Why are the employers satisfied with the outcome of their business operations? Mainly because they are enabled to make a profit, which is used either to strengthen the financial conditions of the business concerned, or to increase its plants and facilities so that it can make a larger profit, or both.

It is a rather widely-held theory that profit-sharing on the part of labor is the solution of the difficulty; that labor is not getting the share of the wealth which is being accumulated partly as a result of its efforts, and that an adjustment in this direction will solve the problem. But profit-sharing plans have been tried, and thus far, mostly, have proved failures.

Will Profit-Sharing Benefit?

The reason it appears is that the same as with increased wages the added sums thus distributed do not permanently benefit the workers. The workers spend their profits just as they spend their increased wages, and have nothing left to show for them.

In other words, the workers, unlike the capitalists and employers and industrial concerns, are not, as a class, growing richer and more assured as to income, and really permanently benefited by the increased funds coming in to them in the shape of higher wages, and would not be any more so if in receipt of additional amounts in the way of profit-share money.

On the other hand, it is claimed by some that the worker is permanently benefiting by increased wages, as shown by the very large increase in savings-bank deposits—as, for instance, in New England, where this class of deposits is four times as large as before the war.

Labor Spending Too Much

It is doubtful, however, whether this savings development does not, after all, apply to only a small proportion of the workers—those who are naturally thrifty. It is probable that the great mass of rank and file workers has not yet become thrifty. From all trade reports from dry goods, automobile and jewelry companies, extravagance among the laboring class is wide-spread. Not that free spending is by any means confined to one class, but special instances are cited showing that mill and factory workers and many wage-earners are buying luxuries freely.

It may be said that, after all, what he does with his money is the affair of the worker; that he may do as he likes with his funds, and if he wishes

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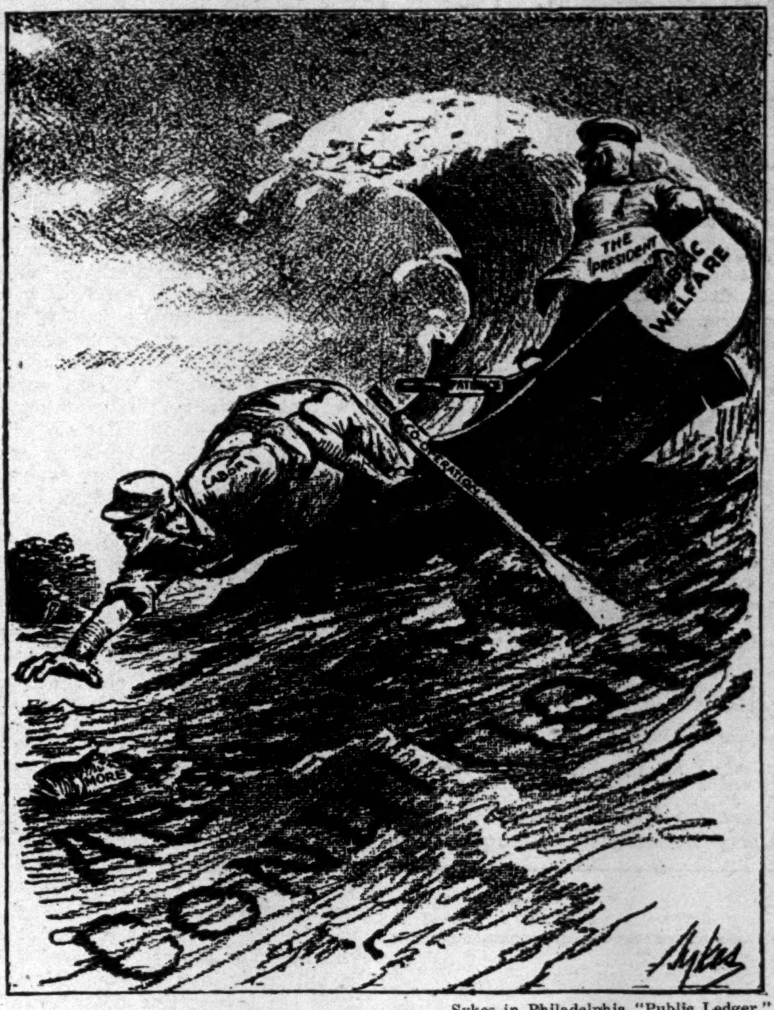

Sykes in Philadelphia "Public Ledger."

"Sit Down"

ARGUMENTS OF A. H. SMITH AGAINST NATIONALIZATION OF GRAND TRUNK

Minority Report of Head of New York Central Presents To-day, as When Prepared, Strong Case Against the Government's Proposals

IN the taking over of the Grand Trunk following the purchase of the Canadian Northern, the Dominion Government has closely followed the general recommendations of the Drayton-Acworth report. For those who feel that the best interests of the country are not being served in the latest proposals, there is much of interest in the minority report of that inquiry, made by A. H. Smith, president of the New York Central, and the only man on the board with a real practical knowledge of railroading on this continent.

In the first place, Mr. Smith lays the blame for the railroad crisis in Canada largely to the fact that there was no proper Government regulation; that actually "the Government aided if not actually promoted projects which duplicate plant in fields not yet sufficiently productive to support one of them." Further:

> The policy of Government aid makes the need for regulation of railway building more necessary even than where capital is depended upon, for in the latter case the proposal must have at least a promise of commercial success before capital can be induced to come in and give it support. To the absence of such regulation must be charged the responsibility for no small part of the railway problem of to-day.

Mr. Smith explains how the Grand Trunk "feeling that its own traffic field had been invaded by the Government-aided Canadian Pacific," desired to turn to the profitable Western territory, and proposed a line from North Bay to the Pacific. Public aid was required and granted without serious thought being given to co-ordinating existing or proposed roads. Canadian Northern interests were thus aroused and an ambition for another transcontinental born. On this point, Mr. Smith says:

> Hence, we find two new companies, both built largely upon public credit, striving for first place in a field which, as for transcontinental transportation, or even as for connecting Eastern and Western Canada, was already occupied. Besides having the Great Lakes waterway, there could have been barely enough business to support one additional line, and that only by the exercise of economy in operation and prudence in investment.

Mr. Smith's Recommendation

In regard to the future of the various systems, Mr. Smith's recommendations in connection with the Grand Trunk are particularly interesting. Referring to the Drayton-Acworth recommendation of an annuity, he says that this is in the face of the fact that there are arrears in maintenance requiring the expenditure of $21,000,000 and which has been charged to capital items instead of against income, he says:

> Considering this situation and also the obligation of the company in the West, I am not impressed with the justice of paying an annuity to the stockholders in exchange for a surrender of this property. I also would be liberal to them, but I would allow them to keep their property and give them a chance to work out their own salvation. To that end, I would recommend that a settlement be effected between the Government and the Grand Trunk Railway Company. The railway cannot carry out its part of the contracts, and it should be relieved of further embarrassment. On the other hand, the stockholders of the Grand Trunk Railway should be required to curtail or forego their dividends for the present, and the entire earnings be applied to the rehabilitation of the road through a term of years. The Government thus gives up a present claim which the debtor cannot pay anyway; in turn, it will enjoy improved and extended service which may be worth far more to the welfare of the people. I should also give the Government some claim upon the future earnings of the Grand Trunk, so that it may share in any future prosperity which this action makes possible.

The Attitude of the Canadian Pacific

That the Canadian Pacific is not favorable to the absorption of the Grand Trunk by the Government has been emphasized since the announcement of the present proposals. Ottawa has claimed that this was because the C. P. R. wanted to "gobble up" the system itself. THE FINANCIAL POST has already pointed out that the real reason is that the C. P. R. does not want to face the single competition of a Government system manipulated—as it almost certainly will be—to political ends and conducted with the usual public ownership disregard to profits or efficiency. Mr. Smith deals with this very point as follows:

> Accorded reasonable treatment, that company will continue, I am sure, to give good service, and I believe the best interests of Canada will be served by continuing the present status of the Canadian Pacific. The introduction of Government railway competition, which might have no regard for investment or cost of operation, would be unfair and, in the end, would react disastrously upon the Canadian people. The regulating power affords to the people of Canada adequate protection in the matter of rates and services, and such power should likewise protect the company.

VICTORY LOAN IS GOING WITH A GREAT SWING

Records of Other Years Are Being Left Far Behind

ALL ROUND BUYING

Small Investors as Well as Big Are Getting Into Line—Market Less Active While Drive is On

The Victory Loan campaign dominates the Canadian financial world. The machinery of the market is being devoted to it to a large extent and investors are naturally showing less interest in stocks and other securities. Up to noon Friday subscriptions reported at Dominion headquarters in Toronto totalled $111,254,800, an increase of over $23,000,000 over the total for the same period last year, and nearly $50,000,000 more than was raised in the initial four and a half days of the 1917 campaign. There could be no better indication of the successful swing of the effort. Not only are the big corporations and institutions giving larger support than last year, but there is no sign of waning interest on the part of the small investor. In fact it would seem that there is a general appreciation of the excellence of the proposition from the investment standpoint:

The following totals as at Friday noon, announced by W. S. Hodgens, chairman of the Dominion Business Committee, are not quite complete: Nova Scotia had only reported for Monday and Tuesday, and British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Prince Edward Island had only reported for the first three days:

British Columbia	$ 2,172,500
Alberta	1,918,550
Saskatchewan	1,592,600
Manitoba	7,317,150
Ontario	67,741,100
Montreal	26,886,500
Quebec	1,404,850
New Brunswick	1,294,400
Nova Scotia	837,600
Prince Edward Island	89,550
Total	$111,254,800

Of the total of $67,741,000 for Ontario, about $28,000,000 was contributed by Toronto, which compares with about $27,000,000 from Montreal.

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Notice is hereby given that a dividend at the rate of 10% per annum upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Monday, the 1st day of December, 1919, to shareholders of record at the close of business on the 14th day of November next.

The Transfer Books will be closed from the 15th to the 29th day of November, both days inclusive.

By order of the Board.
H. B. SHAW,
General Manager.
Winnipeg, Oct. 16th, 1919.

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ALASKAN SALMON PACKERS' LOSSES WILL BE SEVERE

Shortage There Sends Up Prices in British Columbia Section

UP 50 CENTS A CASE

Demand is Far in Excess of the Available Supply and High Prices Have Not Affected Export Demand

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

One of the important factors in the British Columbia Packing industry is the extremely short pack in Alaska, where normally half of the Pacific Coast production is packed. As a result of this acute shortage prices are extremely high, a condition that prevails throughout the whole industry. In Canada the prices are about 50 cents a case higher than last year, but even in the sections where a good pack has been secured this increase does not make up for the increased cost of labor, materials and of the fish itself. In Alaska, the packers' losses will be very severe.

The total pack in British Columbia will be some 1,300,000 cases, or 250,000 to 300,000 cases short of last year. This shortage comes principally in the lower grade pinks and chums, the latter variety showing the heaviest decline. The Sockeye pack is estimated at from 320,000 to 330,000 cases, or about 60,000 cases in excess of last year's pack.

The cohoe pack is very short owing in a measure to the Government stopping the taking of these fish early in the season, as a protective measure, when it was discovered that the extremely dry season had prevented the fish getting up the smaller rivers.

Pinks are short of last year's pack and chums are expected to show a marked decline. They are still being packed, but storms on the west coast of Vancouver Island have materially curtailed the catch.

Prices Will be High

It is generally believed by the packers, that while the present prices are high in comparison with former years, there is little likelihood of any improvement in the near future, certainly not during the coming year. The very short pack on the whole coast, which, taking Canadian and American plants, will reach a total deficit of from two to two and a half million cases less than last year, means a demand far in excess of the available supply. Moreover, despite the unusually high figures, there has been a keen export demand, especially for the higher grade fish, that will not be satisfied.

This export demand is expected to be permanent, while the very fact that the industry is faced with such uncertainties, combined with the higher costs of labor and materials, will certainly result in the packers making very careful preparations for the next season's pack, so anything like a surplus is hardly within the realms of probability, while the assured demand makes it unlikely that any lower prices can be the rule.

WILL MAKE OXYGEN

New Concern Backed by Toronto and Montreal Capital

With a view to reaping the benefit of the wide market for oxygen for industrial purposes that has developed in the past few years, the National Electro-Products Company, Ltd. has been formed with head office in Toronto. The new concern is backed by strong Montreal and Toronto financial interests, who have subscribed the entire block of $1,200,000 of stock issued, out of a total authorized capitalization of $2,000,000. There will be no public stock offerings.

A plant on Dufferin Street, Toronto, has been acquired and is now turning out tubes of oxygen, and another plant will be established in Montreal. A market for the company's product is assured from the fact that the directors and all the larger stockholders are also officials of large industrial concerns who use oxygen in large quantities. Heretofore only one concern has manufactured the gas on a large scale in Canada. It is a Montreal company, operated on French capital.

The directors of the new National-Electro-Products Company are: President, W. J. Cluff, of the Canada Pipe and Steel Company, Toronto; vice-president, H. W. Beauclaire, of Montreal; directors, W. W. Near, president of the Page Hersey Iron and Tube Co., Ltd., Toronto; R. J. Cluff, Toronto; A. McDougall, Toronto; G. H. Duggan, president Dominion Bridge Co., Ltd., Montreal; W. Angus, vice-president of the same company.

ELECTRICAL SUPPLIES

Big Opportunities for Market in South America

NEW YORK.—Electrical supplies have a most promising South American market. In Brazil especially, the immense water power reserves of the country open a most inviting field for electrical construction and equipment material of all kinds, according to the Department of Commerce. Well situated in the coastal zones it is immediately available for industrial enterprise and urban consumptive use.

Argentine and Uruguay fuel cost and moderate water power limit the possibilities, but these also are virtually an undeveloped market. For the past five years American supplies have steadily gained in importance, replacing with Japan the inroads made in electrical business by German goods. The market in all three countries is, however, yet in the making.

FORESTRY OFFICERS DEVELOPING TIMBER

Form Company To Exploit Lumber in Europe and in Canada

Demobilized officers and men of the Canadian Forestry Corps have organized in London, England a company known as the Timber Operators and Contractors, Ltd., for the purpose of exploiting and developing timber in Great Britain, Europe and Canada.

The firm, which has an authorized capital of £500,000, is headed by Major-General Alexander McDougall, C.B., who during the war was G.O.C. Canadian Forestry Corps, and Director-General of Timber Operations in Great Britain and France; and Brig.-Gen. B. R. Hepburn, C.M.G., M.P., who was Deputy Director-General of Timber Operations in Great Britain and France. Associated with them are a number of highly skilled demobilized officers and men of the Canadian Forestry Corps. They have acquired the necessary sawmills and logging machinery, and are thus in a position to estimate and advise on timber areas in any part of the world and also to log and convert them either by contract or purchase. At the present time they are logging and sawing at seven different centres in Great Britain and Ireland, and are starting developments in Siberia, Europe and Canada.

The firm, who are also large dealers in imported timber, have acquired one of the finest re-saw plants in England, viz., the Priddy and Hale plant at Rotherhithe, Surrey Docks. In addition to the machinery this plant now contains, they are erecting a creosoting plant with the capacity of 10,000 cubic ft. per day, and expect to instal in the near future a modern factory for the manufacture of sashes and doors.

PROCESS FOUND FOR BRIQUETTING LIGNITE

Soon Western Canada Will Import No Coal, is Prophecy

Within a year there should be no demand from Western Canada for American anthracite, if the statements of R. A. Ross, chairman of the Lignite Utilization Board, prove to be correct. The board was formed over a year ago and a sum of $600,000 was placed at its disposal by the Dominion Government and the Governments of Saskatchewan and Manitoba, with which to investigate the possibilities of utilizing the low grade lignite coal which abounds in Southern Saskatchewan and Southern Manitoba. After extensive investigation the board has decided to erect a plant, probably at Bienfait, Saskatchewan, in which the product of the lignite mines will be pulverized, mixed with a binder and delivered to dealers in the form of briquettes. Mr. Ross in an interview here made the following statement:

"Our experiments have now reached the point where we have a process for carbonizing and briquetting lignite which gives us a commercial product at a commercial price from lignite coal, practically equal in heating value to anthracite coal. The briquettes can be delivered to the dealers at a price which will permit of its retailing for no larger sum than is asked for the Western soft coals."

"The experimental plant will have a capacity of only 30,000 tons a year and it will take 300 plants of similar output to manufacture enough briquettes to take the place of the anthracite coal now imported by Canada from the United States. Canada has the second largest coal holdings of any country in the world, but we are still dependent on the United States for about half our coal. This is largely due to the fact that our lignite coals are difficult to transport without heavy loss from crushing and slacking, and its friable nature also causes a large loss in mining."

HELPING GERMANY HELPS OURSELVES, SAYS N.Y. BANKER

Germany Cannot Pay War Debts Unless Machinery is Supplied

HAS FRANCE FORGIVEN

Exchange Rates Make Germany a Cheap Place to Import From, So France Commences Trading There

During the war, the cry, "No truck or trade with the Hun" was heard throughout all the Allied nations. But no sooner was the armistice signed than British woollen manufacturers had their drummers, many of them officers of the Rhine army, working among German importers, signing up orders for British textiles, and now we hear complaints from England that disabled soldiers in the United Kingdom engaged in toy making are being thrown out of work because of the flood of German toys coming into the country. These reports indicate that the sentiments expressed during the war are being forgotten by many traders in England, and it is also true that in the countries where the hatred of Germany was most vehement—France and Belgium—trading with the enemy is going on even on a much larger scale than between Germany and Great Britain.

People who have wondered at this state of affairs may find the explanation of it in an address delivered before the Investment Bankers' Association of America, by John E. Gardin, of the National City Bank of New York. Mr. Gardin stated that France, Belgium and other European countries would only buy on this side of the water what was absolutely essential to them, and what they could not obtain elsewhere; copper, cotton, foodstuffs, etc. The other things, where labor was 75 per cent. of the product, they would buy from Germany, because the exchange rates made it possible for them to buy much cheaper from Germany than elsewhere. In September the balance of trade against France was about $300,000,000, 60 per cent. of which, on reliable information, had been paid to Germany.

Should Help Germany

The moral in this situation, said Mr. Gardin, was that the nations on this side of the water must help to stabilize exchange rates. One way to stabilize European exchanges would be to help Germany to get on her economic feet. France, Belgium and Italy could not be rehabilitated unless Germany were given the means of paying her debts to them, said Mr. Gardin, who explained his scheme:

"Throw sentimentalism aside and look at the matter purely from an economic standpoint. The war is over. What we have now before us is the world, and with the rehabilitation of matters in Europe we are the gainers. With the re-establishment of the equilibrium throughout the world small matters will adjust themselves in our country to our satisfaction. Our former enemy, Germany, is making strides towards rehabilitation to such an extent that if the truth were known you would be surprised. But I only want to say this, that in any general scheme that is inaugurated for the rehabilitation of foreign lands, you will have to take Germany into account, just as much as you do France; you will have to take Austria into account just as much as you do Italy or Belgium, because unless you do that, the other countries will suffer. France, Belgium, England and Italy all depend upon the payment of that enormous burden that has been placed upon the German nation and upon the Austrian nation, and unless that money is paid it will be a calamity, and the only way Germany can get that paid is by work, she has got to have tools and she has got to have raw materials.

"Her condition to-day is such that she has the advantage over every other nation in Europe. Her factories are intact. The nation may be bankrupt, but the individuals and the corporations are certainly not. They were smart in their time, they had to take over war bonds, but what did they do with them? They did not keep them in their treasury, they used them in the rehabilitation of their bonded obligations wherever they could, and the result is German factories to-day stand free of debt, and their values have enhanced four, five and sixfold. The banks are in better condition over there than they ever were; they have made enormous amounts of money through the accumulations, through the enhancement in value of material things, and through the depreciation of their money, so that before you know it in a commercial sense Germany is going to come up out of this struggle a giant and is going to take up her march towards the conquest of the world in a commercial sense, where she left it off in 1914."

Finance Your Own Exports

The question of extending credits to Europe was also taken up by Thomas Lamont, of J. P. Morgan & Company. Mr. Lamont pleaded for action rather than words in the matter. Extending credits was not a matter for the banks, for Wall Street or the professionals at all. If a farmer had a thousand bushels of wheat to sell in a foreign market, the proper thing for him to do would be to invest the proceeds of the sale in European securities. He would thus be selling his wheat on credit without taking a risk. The same thing applied to manufacturers and others, said Mr. Lamont, who added:

"In other words, if Europe is to be fed and clothed, if she is to continue to be the excellent customer of the United States that she has in the past, we must all get into the same co-operative frame of mind. We must feel a responsibility on our own shoulders and not be ready to shift it to someone else. It is all an attitude of mind. When this country, as a whole, when you and I and each of our neighbors, wake up and say: 'I don't want the people of Europe to go hungry and cold; I will help lend them the money to buy America's wheat and cotton'—then, and then only, shall we be doing our part in the reconstruction of Europe."

But are such foreign securities safe to buy? An answer to this question might be found in a short talk by A. Rosenthal, who stated that English, French and Scandinavian bankers were the finest and safest people in the world to do business with. They had always met their obligations.

AGITATORS RAPPED BY HARDWARE MAKERS

Steel Corporation's Policy Approved by Atlantic City Convention

Labor's desire to "do as little as possible and collect as much as possible" was soundly rapped at the American Hardware Manufacturers' convention in Atlantic City this week. "Labor has fallen 40 per cent. in efficiency and wages have increased 100 per cent." said Charles W. Ashbury, of Philadelphia, president, who added:

"It seems to be the slogan of disaffected labor to do as little as possible and collect as much as possible. Labor unions have a place to fill and in their place are an advantage, but when radicals gain control they are a menace."

A resolution adopted at the closing of the convention commended the refusal of the Steel Corporation to deal with "labor agitators." The following declaration was sent to Judge Elbert H. Gary:

"Whereas, groups of irresponsible, professional agitators, having no present productive vocations, and without the approval of many of the employees concerned, are forcing uneconomic propaganda into factories in which the said agitators have never been employed, demanding that the employees shall be represented by the said agitators in any negotiations between employers and employees, culminating in the strike in the plants of the United States Steel Corporation, therefore be it

"Resolved, that in the sense of this association the employers are in this instance justified in opposing the said agitators to the end that a great majority of the honest, loyal and capable employees may be permitted to work unmolested in the interests of a corporation in which so many of them enjoy a financial interest."

DOLLAR UNDERSTOOD BETTER THAN POUND

So Big British Oil Company is Incorporated in Canada

Is security with its nominal value named in dollars more easily salable in Canada, the United States, France, Holland, Scandinavia and other countries outside of the British Isles, than a security issued in sterling denominations? One group of British financiers at least seems to hold to this view, for the new British Controlled Oilfields, Ltd., which is now being financed in London is incorporated under Canadian laws, with an authorized capitalization of $40,000,000, although no issue of stock is being made outside the British Isles.

There is no public offering being made in England, which is a novelty in the financing of a large oil company with vast undeveloped properties. About 11,000,000 dollars of the preferred shares are now being offered privately in England, and are being subscribed by friends of the original promoters of the scheme. It will be seen, therefore, that the purpose of the promoters in naming the stock in terms of the dollar was to facilitate future transfers of the stock rather than to aid in the initial flotation.

Sperling and Company, of London, the concern of which E. Mackay Edgar, a former Canadian financier is the head, is handling the new flotation. The company controls properties in Venezuela, half of Costa Rica, the other half of which is controlled by the Standard Oil Company, and has rights over 60,000 acres of land in Ecuador, Trinidad and Colombia. All the property is undeveloped, but the promoters have confidence in their undertaking is shown by the fact that Sperling & Company have already advanced £3,000,000 for development work.

Mr. Edgar, when asked why the company had been incorporated in Canada instead of Great Britain, explained that a generation's experience in financial work had convinced him that the dollar was better understood throughout the world than the pound.

CANADA UNABLE TO GET DELIVERY STEEL PRODUCTS

Effect of the Strike in the Industry in United States

BIG BOOKINGS HERE

Canadian Mills Rolling Sheets and Bars Are Booked Far in Advance—Price Situation is Unsettled

By **A. R. KENNEDY,**
Editor "Canadian Machinery."

Attention has been drawn in these columns several times in recent weeks that although claims were made that the back of the steel strike in United States has been broken, deliveries of material to Canada were far removed from schedule. This condition continues to prevail to such an extent that in several quarters the situation is serious, and partial shut-downs are liable to be reported on account of inability to secure supplies of steel in the various forms desired.

Certain it is that the warehouses can help but very little to meet the situation for the very good reason that their own stock is at low ebb. A representative of The FINANCIAL POST, in speaking to one of the Toronto warehouse firms this week, asked how they were in regard to galvanized. The reply indicates the condition: "I you were going to be a very good customer, we could not give you a sheet of galvanized as a sample."

Booked Far Ahead

Canadian mills rolling sheets and bars are booked in some cases as far as four months in advance, while firms using sheets as material in galvanizing plants are having a difficult time to secure anything like the necessary supplies to keep their plants up to normal operation.

To get some idea of the amount of finished steel and iron coming to this country, the Government reports for twelve months, ending with March of this year, show an importation of 5,376,931 tons of plate.

In sheets the tonnage from United States amounted to 6,058,316 tons.

Of pig iron, approximately 2,000,000 tons.

Angles, beams, etc., for ships, 8,324,780 tons.

These items are only a few, taken for the sake of showing the extent to which this country depends on the U. S. Steel Mills.

A Pittsburgh correspondent in whom THE POST places a great deal of confidence remarks this week that the rate of recession of the iron and steel strike continues to be a very slow one, though it has improved a trifle in the past week or two. While production was down to about 50 per cent., taking the steel industry as a whole, at the middle of the first week of the strike, it is now, after five weeks of strike, fully 60 per cent.. Gains of two or three per cent. a week, however, are very small, considering that the strike, through its own efforts, never had a chance of winning when the first week showed that it could not close more than half the industry.

Some Premiums Asked

Premiums are being asked in some cases, where supplies are available. Although this is confined to jobbers at present, a survey of the situation points to the fact that future prices of steel are undoubtedly going to be higher. Steel was by no means plentiful before the strike, yet the mills were making approximately as much as they could, their output being between 85 and 90 per cent. of capacity, and at the rate of about 2,500,000 gross tons of finished rolled steel a month. The deficiency in output in the first month of the strike was between 1,000,000 and 1,250,000 tons, and the second month, now entered upon, promises to witness loss of by far the better part of a million tons, so that even if the strike should now recede rapidly there is indicated a deficiency of at least 2,500,000 tons, or a whole month's production, since after the men are all back at work production will not at once jump to normal. Before the strike steel prices were strong, and they are now rather high compared with commodity prices in general. The March 21 steel prices, which have remained since then as the quotable market, are 81 per cent. above the ten-year pre-war average of steel prices. The Dun and Bradstreet index numbers, of commodities in general, have advanced since March 21, and now stand at 112 per cent. and 128 per cent. respectively above their corresponding pre-war averages. Demand and supply would point to higher steel prices, and relationship of steel to other commodities would point the same way.

From the present outlook, however, the prospect is that basic steel prices will not advance. While no formal announcement has been made, there is much reason for believing that the United States Steel Corporation is strongly opposed to there being any price advances, either during or for some time after the strike, and some of the large independents may line up on that side. The smaller mills, those that do not sell far ahead, would undoubtedly charge all they could get, and that would mean premiums on early deliveries, with prices unchanged for delivery at mill convenience.

All the indications are that demand for steel will be heavy for a long time to come. The cost of making steel is not likely to decrease materially, and is much more likely to increase. When the strike is all over the mills will consider the matter of adopting the eight-hour shift as against the present twelve-hour shift, and its adoption will probably hinge largely upon the question of its being possible to obtain the additional men needed. If that is done men will receive less pay per day but higher pay per hour and thus the wage cost of making steel will increase. With values of commodities generally so much higher, relatively, than steel prices, it is not entirely improbable that in the long run steel prices will advance.

STAMP OF QUALITY IN YOUR POCKET

Clothing Retailers Willing to Co-operate With the Board of Commerce

By **W. C. A. MOFFATT,**
Editor "Men's Wear Review."

The clothing retailers of Ontario have decided to do everything in their power to help the Board of Commerce in its efforts to reduce the prices of clothing, the decision to co-operate being unanimously agreed upon at a meeting of representative Ontario men at Toronto on Tuesday evening. Not only did they decide to co-operate but when the board asked that the mills be called upon to stamp on its cloth the percentage of wool and cotton contained therein, the clothiers went one better and passed a resolution asking the manufacturers to put a similar stamp in a pocket or other conspicuous place where it can be easily seen by the consumer.

Just what good, if any, such a stamp will be it is hard to say at present. Some clothiers are of the opinion that it may help to soothe the public, but as long as a suit wears well and looks well, the average man is not greatly concerned about the quality of goods he is wearing. It is certain that the innovation will not work any great hardship in Canada, but a similar statement cannot be made with any degree of accuracy to the manufacturers in the United States and England, particularly across the water. There are no shoddy mills in Canada, though, so, with very few exceptions, the material and clothing turned out here are satisfactory. There is no denying the fact that English houses can turn out goods equal to any to be found anywhere, but experience has shown, too, that some of the poorest "stuff" has come from British mills.

The resolution passed is also applicable to manufacturers of underwear.

WESTERN INDUSTRIAL CONFERENCE

Big Gathering Coincident With C.M.A. Convention

VANCOUVER.—What will be, it is declared, the most important gathering of business men ever held in Western Canada is scheduled to take place in Vancouver next June, when the sessions of the British Columbia-Alberta Industrial Conference will open in this city coincident with the holding of the annual convention here during that month of the Canadian Manufacturers' Association.

In addition to the delegates from the different sections of British Columbia and Alberta who will attend the meetings, arrangements are under way to bring more than 2,000 business men from Eastern Canada, the United States, Great Britain, Australia and New Zealand to take part in the conference. These visitors will represent manufacturers and capitalists interested in the development of the potentialities of the West, the broadening of the export trade from the Pacific ports of Canada, and the establishment of new transportation lines.

U. S. FOREIGN TRADE

Increase in Imports and Decrease in Exports Noted

NEW YORK. — A very decided jump in imports and a noticeable drop in exports were the outstanding features of the United States foreign trade in September. Imports in September were $435,000,000, which is $92,000,000 above the previous high record established in July of this year. Total for last September was $262,000,000. Exports during September were $593,000,000, as compared with $646,000,000 in August of this year, and $550,000,000 in September, 1918.

EUROPEAN TRADE NEEDS OUTLINED FOR COMING YEAR

French, Italian and Belgian Missions Tell What They Will Import

BUY IN BEST MARKET

France Will Import $700,000,000 Worth of Materials in 1920, Including Foodstuffs, Copper and Steel

Although Canada had no delegates at the International Trade Conference, which has just concluded its sessions at Atlantic City, there were many things heard at the convention which should be of interest to Canadians. For instance, Baron du Marais, vice-president of the French delegation, told the American committee on credits and finance that France in 1920 would import $700,000,000 worth of materials. "Some of these purchases will be made outside the United States," said the Baron, who is head of the great Credit Lyonnais of Paris, "and our policy in buying these necessities will be influenced by exchange conditions and the prices asked for the commodities."

Baron du Marais itemized France's needs for 1920 as $150,000,000 of foods, $70,000,000 in copper, $200,000,000 in cotton, $75,000,000 in fuel oil and gasoline, $100,000,000 to $200,000,000 in steel and other products.

The Baron also said that credits to mature in not less than ten years would be required by France, pending her rehabilitation. For 1921, he estimated that the total need would be considerably less than the figures mentioned for the next year.

Food to be Imported

Another member of the French mission, Julien Potin, head of a great French syndicate of biscuit manufacturers, further detailed France's requirements of foodstuffs. From the first of January, 1920, to October next, France would import:

Wheat, 1,000,000,000 tons.
Oats, 200,000 tons.
Sugar, 100,000 tons.
Condensed milk, 600,000 cases.
Salted meat, 25,000 tons.
Lard, ham and sausages.

Italy, too, told of her requirements. Dr. Lugi Luiggi, one of Italy's state engineers, gave the country's most urgent needs as follows:

Agricultural machinery — Tractors, threshing machines, pumps, plows, sowing drills.

Lumber — For repairing houses and fishing ships.

House building machinery—Elevators for building materials, concrete and cement mixers, excavators, concrete block-making machines.

Machines for fishing industries — Motors for ships, net machinery, refrigerating plants, and trucks for fresh fish transportation.

Italy Requires Copper

Copper, in the production of which in Canada is somewhat hampered because of the weakness of the market, is also needed by Italy, as the following table, giving her annual metal needs shows:

	Tons
Foundry pig iron	200,000
Plates and shapes	60,000
Ingots and semi-finished steel and rails	215,000
Scrap iron	100,000
Tin plates	5,000
Copper	15,000
Various other metals	10,000
Total	605,000

Exportable commodities with which Italy can pay her debts for raw materials include lemons, olive oil, gorgonzola and Parmesan cheese, marbles, sulphur, laces, silks, statuary, carpets, etc, said the head of the Italian mission.

Needs Agricultural Machinery

Belgium needs agricultural implements and machinery of all kinds, Florimond Hankar, a well-known Belgian banker and insurance man, told the conference. Whereas there were 800,000 unemployed in Belgium following the signing of the armistice, this number had been reduced to 200,000, and as soon as the machinery to work with could be supplied, the remainder of the people would go to work.

A more international and co-operative spirit in trade was called for by A. C. Bedford, chairman of the Standard Oil Company, of New Jersey, who, as chairman of the executive of the conference, welcomed the foreign delegates. He concluded:

"This conference, if it accomplishes nothing else, will, I hope, result in giving to the business men of the great nations here represented more than ever before a world point of view. A realization that business in the future will call for the highest standard of efficiency and co-operation will make for the destruction of ignorant selfishness and merely personal profit, and will be recognized to have succeeded just to the extent that it makes men of all nations realize their interdependence one upon the other, and acts upon the faith that an intelligent self-interest commands upon the part of each of us an active regard for the happiness and welfare of every land on this small earth."

NO TRADE WITH GERMANY

Australia Refuses to Lift Ban on Enemy Imports

Australia refuses to permit the importation of any good of enemy manufacture, either German or Austrian, despite the fact that before the war Germany supplied a large part of Australia's imports, amounting to nearly $7,000,000 per annum. Recently an attempt was made to have the embargo lifted, but the Australian Government refused to permit any goods, of 5 per cent. or more German manufacture to enter the country. Any enemy goods landed at an Australian port are subject to confiscation.

The United States, Canada and Japan have taken Germany's place in the Australian market. Great Britain's exports to Australia have declined, while Canada's exports to that country have increased from a neglibible quantity before the war to over $13,000,000 in the twelve months ending August 31st.

A. F. OF L. OPPOSES SOCIALISTIC SCHOOLS

Thinks Those Immediately Concerned Should Solve Labor Problems

The attitude of the American Federation of Labor to Socialistic schools of thought was told by Matthew Woll, vice-president of the association, at the convention of the Investment Bankers' Association. Mr. Woll stated that the A. F. of L. was opposed to Socialism because it felt that diverting ownership from the private individual to the Government meant a bureaucratic autocracy rather than industrial democracy. It opposed the I. W. W. and the Bolshevist because they spelt "industrial tyranny of the worst kind, doing untold injury to the ideals of freedom, justice and the pursuit of happiness expressed by the word democracy."

The ideals of the A. F. of L. were expressed by Mr. Woll as follows:

"The relation between employers and employees is not a matter of legislation. This is a function properly and rightfully exercised by those directly concerned and interested. Employers and employees should jointly and collectively determine the relations of employment and by conference establish the standards and requirements which ought, and of right, should prevail. We hold that those immediately engaged in a particular class of manufacture or production, because of their experience and training and by reason of their interests and direct connection, are best able to determine the relation which should prevail between employer and employee, and the standards and the requirements which should be observed in the particular industry or craft.

"We believe that employers and employees of each particular group of manufacture and of each distinctive process of production should jointly and collectively determine the requirements and standards of their joint enterprise.

"The American Federation of Labor is not opposed to the organization of employers. On the contrary, it favors the organization of employers. In doing so it likewise demands for the wage earners that same right of organization, that same privilege of assisting and helping each other, in determining the conduct of business.

'When workmen are given the right to help determine their destiny in life, their conditions of work and their conditions of labor, then you will find that happiness and contentment which is so well expressed in our constitutional authority, that governments should be organized for liberty, justice among men and the pursuit of happiness."

OPEN SHOP WINS

Consolidated Cigar's Twenty-Eight Plants Non-Union

NEW YORK.—After being out on strike for more than twenty weeks, employees of the New York factories of the Consolidated Cigar Corp. have resumed work. The company is a large producer of high-grade cigars, having twenty-eight factories located in different parts of the country.

The strike did not involve the question of wages, as the employers were at all times ready to grant reasonable increases, but rather that of the recognition of the union, and the establishment of the closed shop. The company had consistently refused to recognize or deal with the unions, and has insisted on the principle of the open shop at all times. This principle has been maintained, and the Consolidated Cigar Co.'s factories are now in 100 per cent. operation as non-union and open shop factories.

EMPLOYMENT SITUATION

Still Further Improvement in Week Ending October 11th

OTTAWA.—Weekly reports from employers in Ontario and Quebec to the Eastern Clearing House of the Employment Service of Canada, Department of Labor, indicate that, disregarding unemployment due to strikes, a further increase in the volume of employment was registered during the week ending October 11th, and that the gains made during the preceding week were in most cases maintained.

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THE C.P.R. "BOGEY"

Control Prohibited by Statute Except With Consent of Parliament—Syndicate Ready to Operate

By Resident Representative.

MONTREAL.—When the Government's arguments are boiled down the two main excuses for its Grand Trunk deal are that it must lay hold on the Grand Trunk earnings to help wipe out the G.T.P. deficits; and secondly, that the C.P.R. would gobble up its old neighbor if the latter went into liquidation.

There are three practical suggestions against the Government's assumption that it can rely on receiving 100 per cent. of the normal G.T.R. earnings and surplus (disregarding dividend requirements). These are:

1. The Government has undertaken to pay more than the G.T.R. ever had to earn for itself. It thus starts under heavy disabilities in the form of overhead charges, with which the G.T.R. never had to contend.

2. The Government will be "buying" less from the G.T.R. in the way of traffic than the Grand Trunk now receives, for the reason referred to last week—the certainty that the United States roads, privately owned, would not hand over to a road owned by the Canadian Government as much as goes to the privately owned G.T.R.

3. From all the evidence that is furnished from the precedent of Government ownership of railways in Canada, and the examples provided in the United States and other countries, there is no possibility of the Government operating the road as economically as the G.T.R.

Under Government operation, then, the road must earn far more than it ever earned under private control, if it is to show the same net results.

There is a simple alternative to seizing the Grand Trunk assets to pay off the G.T.R. liabilities: hold the Grand Trunk responsible for a fair portion of its liabilities to the G.T.R. No one is professing that it be freed entirely; this would be unfair to the people of Canada as a whole, who would then be forced to shoulder those liabilities in full. What the Government has sunk itself in the G.T.P. will not be wiped out by taking over the Grand Trunk. That becomes a perpetual heritage of political scheming.

If it is thought necessary, the whole liability of the G.T.R. could remain a charge on the Government books, until such time as a fair basis of settlement could be arranged.

But if the Government is to treat this road as considerately as the British and United States Governments have done the railways in those two countries, an immediate penalty should not be exacted. The road should be given time to recover from abnormal war conditions, which, in the last three or four years, have raised operating costs by 50 to 60 per cent. Both in England and the United States the railroads have been allowed reimbursement from the Government so as to bring their earnings up to those of pre-war days, and so far as the U. S. railways are concerned, the increases in wages were identical with those granted in Canada, and the advances in freight and passenger rates were somewhat higher.

So far as the C.P.R. "terror" is concerned, the matter rests with Parliament itself. It can refuse permission, if it so desires, to the C.P.R. to take over the Grand Trunk. By an amendment to the C.P.R. charter, passed in 1884, it is expressly forbidden for the C.P.R. to take over the G.T.R. without the consent of Parliament. The C.P.R. position is stated thus by the president, E. W. Beatty, K.C.:

"In this connection, and as one of the grounds on which Parliament is urged to support the proposals, it is said that if they are not confirmed and the roads are not acquired by the Government they will—to use the expressive phraseology of the Minister of Railways—be 'gobbled up by the C.P.R.' I can imagine several things worse than that. It is only right that I should point out to you that there exist certain objections to this course which render the possibility of it ever taking place almost ridiculously remote. In the first place, I may be pardoned for calling your attention to the fact that there exists by statute an absolute prohibition against any arrangement by way of amalgamation or joining of earnings between the Canadian Pacific and the Grand Trunk or any branch lines of the Grand Trunk or leased by it or under its control.

"In the second place, the Grand Trunk duplicates, in many respects, the existing facilities of the Canadian Pacific in Eastern Canada, which would render its acquisition by the C.P.R. both unnecessary and unwise.

"In the third place, the Grand Trunk cannot be divorced from the Grand Trunk Pacific with its enormous liabilities which, I imagine, no corporation in Canada would think of assuming, even though they were able to do so.

"Lastly, the acquisition of the Grand Trunk or any portion of it has never been suggested to the Canadian Pacific or by the Canadian Pacific, and has never been considered or contemplated in any way or by any means direct or indirect."

But there would be no need for a "bid" from the C.P.R. THE FINANCIAL POST learns that if the G.T.R. shareholders were disposed to let it go—except to the Government—an independent syndicate stands ready to operate it.

COLDSTREAM ESTATE BEING OFFERED TO B.C.

Government May Invest $1,500,000 in Property For Returned Soldiers

By Special Representative

VANCOUVER. — Representatives of Lord Cowdray and Sir James Buchanan, the Scottish distiller, are at present on the coast negotiating for the disposal to the Provincial Government of the famous Coldstream estate in the Okanagan. The Cabinet is being asked for $1,500,000, which approximately is the amount spent in development work upon the property since it was first acquired by Lord Aberdeen. It is the intention of the Government, if purchased, to use the ranch for soldier settlement. In any case the property is to be disposed of.

In speaking of his mission to the coast, E. L. Lundy, who is acting for the English owners, says that his principals are disposing of much of their Canadian holdings to enable them to make extensive British investments, where capital is urgent for reconstruction work. The stipulation is made that the property is to remain in Canadian hands. The estate consists of 130,000 acres, eight hundred of which are covered by fruit-bearing orchards, the balance of the land being meadow and pasture. An elaborate system of irrigation runs over the property.

Well over two thousand tons of fruit will be picked from the ranch this year and with new trees coming into bearing, it is stated that next year's yield will total 3,000 tons. The owners have received several offers for small portions of the land, but the owners are not prepared to sell in this way. Mr. Lundy will remain here only a few days and will then return direct to England.

EMBARGO AND 'LANTIC

Sugar Company Will Have Big Year In Any Event

The embargo of the Board of Commerce against export of sugar for the balance of the year will not prevent Atlantic Sugar Refineries from showing by far the best year in its history. It is estimated that with a fair export early next year the sales will exceed $20,000,000. The stock took an upward swing this week and reached a new high of 79, but eased off a little later.

RAILROAD EARNINGS

Gross earnings of the three principal Canadian railroads for the third week of October totalled $7,857,031, as compared with $6,720.771 for the corresponding period in 1918, a gain of $1,136,260 or 16.8 per cent. Following are comparative figures for the week:

	1919	1918		Change	%
C.P.R. ..	$4,241,000	$3,509,000	+	$ 732,000	20.9
C.N.R. ..	2,129,180	1,915,606	+	213,574	11.1
G.T.R. ..	1,486,851	1,296,165	+	190,686	14.7
	$7,857,031	$6,720,771	+	$1,136,260	16.8

COCKSHUTT PLOW

At the annual meeting of the Cockshutt Plow Co. the old board of directors, Colonel H. Cockshutt, Geo. Wedlake, E. A. Mott, Sir Augustus Nanton, James Adams, G. K. Wedlake, and S. Perry were re-elected. At a meeting of the board of directors the following officers were chosen: Col. H. Cockshutt, president, managing director and treasurer; Geo. Wedlake, first vice-president and general manager.

STANDARD RELIANCE

Directors have been named for the Standard Reliance Assets, Ltd., as follows: T. W. Ralph, of North Augusta, to represent creditors in Brockville and vicinity; Thomas Hall, of Ayr; J. A. Walker, K.C., and A. S. Maynard, of Chatham; Edward Merner, of New Hamburg; F. C. Meyer, of Elmira, and G. T. Clarkson, the liquidator. There remain two directors from the Toronto district to be chosen.

CANADA BREAD

That certain interests are acquiring Canada Bread common has been manifest for some time past. This movement or its aftermath, the desire of the smaller buyer to get in on something that looks as though it might have possibilities, though the possibilities are a closed book to him, still continues, over 1,600 shares being sold during the week at 24½ to 26¼.

ILLINOIS TRACTION

The gross receipts of Illinois Traction for September were $1,480,785, compared with $1,302,353 in 1918; the net $421,835 against $371,451, the percentage of increase in net being 13.56 per cent. against a decrease of 12.94 in 1918. Nine months net was $3,412,299, an increase of 14.02 per cent. against a decrease of 12.81 per cent. in 1918.

U.S. PACKERS ARE GETTING HOLD ON CANADIAN MARKET

Wilson & Co. at Chatham—Morris & Co. Also Interested

WAR A BIG FACTOR

British Consumer Has Gained an Appetite For Canada's Pork Products and Americans Get Into Line

There has been a notable movement on the part of American packing concerns to get a footing in the Canadian market. This is partially, no doubt, the result of the substantial nature of the Canadian business, but is still more due to the fact that the products of the Canadian plants are receiving special consideration on the British market. The British buyer has shown a very definite preference for products made from Canadian hogs, and for Canadian methods of cure, and the Canadian packers have had this advantage over the American in their bid for British business.

It is very evident that the American packing plants are not content to let this condition of affairs continue and they are, therefore, linking themselves up with Canadian firms in order to get the advantage of this preferential treatment. Some little time ago amalgamated packing interests took over the Matthews, Blackwell Company, and are operating it under the name of the Canadian Packing Company. Only a few days ago Wilson and Company, Chicago, one of the Big Five, purchased the plant of the Chatham Packing Company that stopped operations about a year ago because Government restrictions had made the business unprofitable. Wilson and Company are using this plant at Chatham as a nucleus for what is believed will be a very large business. They are starting operations almost at once, beginning hog killing in a couple of weeks, and by degrees it is stated the plant will be enlarged to take in all the details of the packing industry.

This is the first appearance of this packing company on the Canadian market. There is a persistent rumor, however, that Morris and Company, another member of the Big Five, are also contemplating entering the Canadian market, and that they have made advances to one of the West Toronto plants with a view to buying out their interests, and so securing a going concern with which to enter the market. It has been impossible to verify this rumor, and it is quite possible that in so far as it concerns the West Toronto plant there is not much foundation for the story. There is every reason for believing, however, that Morris and Company will not be the only member of the Big Five not represented in Canada.

ENGAGE IN FOREIGN TRADE

Montreal Corporation To Do Export Business

The International Corporation of Canada has been formed in Montreal to engage in Canadian export trade. Arrangements are under way for the appointment of representatives in the principal markets of the world, and the corporation will engage in general trade, though its primary purpose is to deal in goods of Canadian manufacture.

H. B. Thomson, formerly Canadian Food Controller, is one of the members of the board of the new company, and further announcements will be made later of the other directors, many of whom are prominent in Canada's financial and industrial life.

DOMINION CANNERS

The stock of the Dominion Canners still continued to be an active factor on the market, some 5,500 shares of the common changing hands during the week. The average of trading, too, showed a slightly firmer feeling, though the high was ½ a point below that of last week. There is no apparent reason for the popularity of this stock, other than the confidence that it has been a profitable year, and that this may mean a change in the company's policy toward the stock, which will enhance its value.

PORTO RICO

The September earnings statement of the Porto Rico Railways Company shows gross amounting to $89,977, as against $92,216 for the same month in 1918, a decrease of $2,239 or 2.42 per cent. Net earnings for the month at $37,127 show an increase of $3,854 or 11.58 per cent. For the nine months ending with September the gross at $840,305 shows an increase of $61,139 or 7.84 per cent., while the net amounting to $322,552 shows a falling-off of $4,434 or 1.35 per cent.

LAKE OF THE WOODS

Lake of the Woods Milling Company common moved up to 222½ subsequent to the announcement that the company had been authorized to increase its capitalization by $1,500,000. There is evidently a feeling that the increasing of the capital may operate favorably to the owner of the stock.

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CONSUMERS' GAS HIGHER PROFITS SHORT OF CHARGES

Again Found Necessary to Draw Upon the Reserves

BETTER DAYS AHEAD

Increased Rates Now in Force Which Should Enable Management to Make Up Deficit in Fund

In order to maintain dividends and meet renewal charges and interest in the year ending September 30th, the Consumer's Gas Company of Toronto found it necessary to draw upon reserves to the extent of $127,046. In the previous year $279,100 was similarly drawn. During these years the company has felt severely the increasing costs of raw materials and advances of other operating charges owing to the prevailing conditions. However, as is explained by the president, A. W. Austin, an advance in rates has been made, the benefits of which were only experienced in one month of the year, covered by the latest statement, and in accordance with the Company's Act of Incorporation, any sums drawn from the reserve fund are to be restored from time to time out of earnings. It is expected, therefore, that the earnings during the current year will be quite sufficient to make full restoration of the amounts withdrawn from the reserves.

The increase in expenses during the year amounted to some $220,000, being largely accounted for in the higher cost of coal. What the company has had to face in the increased cost of operation is indicated by the statement of President Austin that on coal, oil and operating wages the figures for the year showed an increase of $1,114,677 above pre-war figures. The company has been able to a very large extent to offset these greatly increased costs by expanding its business as indicated by the following income figures showing an increase of over $400,000 for the year, and nearly $2,000,000 as compared with 1916:

	1919	1918
Gross Sales	$4,018,259	$3,811,387
Residuals	1,003,523	852,982
Merchan. sold	438,641	396,994
Misc. revenue	45,792	33,643
	$5,506,215	$5,095,006
Previous years	$4,296,349	$3,637,805
	1917	1916

The following figures show how production and operating costs have figured in the same period:

	1919	1918
Coal, bituminous	$1,434,411	$1,231,292
Coal, anth. and coke	551,262	564,363
Gas oil	497,311	579,367
Oxide	11,976	11,754
Steam	270,721	241,381
Wages, manufacturing	255,499	201,953
Misc. wages, etc.	344,384	335,143
Street dept. expense	14,332	16,117
Meter settings	56,184	58,772
Govt. fees, etc.	78,543	16,127
Meter dept. expense	29,306	36,295
Reading Meters, etc.	31,077	26,939
Customers' accounting	45,017	40,816
Coll. com. & salaries	43,871	32,987
Sundry expenses	25,856	26,527
Admin. salaries	30,465	26,326
Directors	15,000	15,600
Auditors	1,800	1,800
General salaries	127,121	110,228
Patriotic, etc.	14,601	28,671
Taxes	189,763	204,972
Insurance	22,438	22,697
Advertising	12,028	14,736
Arc lamp exp.	51,718	60.405
Cost of merch. sold	304,635	285,893
Merchandise exp.	61,763	55,303
Com. dept. exp.	79,213	72,383
	$4,540,298	$4,318,341
Previous year	$3,343,043	$2,718,228

The net earnings amounted to $965,917, as compared with $776,665 in the previous report. The manner of distribution in the two statements being indicated as follows:

	1919	1918
Interest	$ 57,536	$ 34,329
Dividends	535,999	530,644
Plant renewal	499,982	490,790

The statement of assets and liabilities shows that the reserve fund, which was reduced from $684,405 to $405,856 a year ago in order to meet dividend and other charges was further cut to $278,791 for the same purpose. Bank advances increased from $929,836 to $1,268,288. The appropriation of $499,445 for renewals and building fund was largely offset by an expenditure of $496,855 on this account. Other changes in the balance sheet were unimportant. Total assets stood at $11,944,208, compared with $11,744,297.

Continued Expansion

President Austin's report indicates the continued expansion of the company's business. More than 4,000 new customers were added during the year. A very satisfactory business is being done in fixtures and appliances. The use of gas for munitions purposes has of course been discontinued, but many large and important installations of furnaces, steam boilers, crucibles, ovens, etc., have been made in establishments in peace-time industries, and the increase in the consumption of gas for these purposes is very large.

The manner in which the company's business has been expanding in the past fifteen years is indicated by the following figures of gross and net earnings:

Fifteen Years of Gas Earnings

	Gross Earnings	Net Earnings
1919	$5,506,215	$965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,805	919,576
1915	3,440,008	865,38
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,154
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,252

CANADIAN ZINC ORE TO BE REFINED HERE

Consolidated M. & S. Company's Development in British Columbia

The recent prophecy made by J. J. Warren, general manager, of the Consolidated Mining and Smelting Company, that Canada could easily increase its production of zinc to supply one-tenth of the world's demand, which he estimates at 780,000 tons, has focussed attention on the developments of the Consolidated properties in British Columbia. The company is planning a 10,000 ton concentrator at Kimberley to handle the output of milling ore from the Sullivan mine, and it it is expected that this unit will be ultimately increased to 20,000 tons a day. When finished the plant will be the largest zinc concentrating plant on the continent.

The developments will tend to make zinc production in Canada a truly Canadian industry, for up to the present a large proportion of Canadian zinc ore has been sent to American smelters for treatment. Up to 1916 no zinc was produced in Canada at all, the ore being exported to the United States for treatment. With the establishment of the Consolidated's smelter at Trail, zinc treating began in Canada. In 1916 the production of refined zinc at the Trail smelter was less than 3,000 tons, which in 1917 had risen to nearly 10,000 tons.

There is little doubt that the British Columbia mines can keep the proposed smelter busy. The Sullivan mines is the world's greatest zinc mine, and last year produced ore containing an estimate of 26,704,806 pounds of zinc metal.

BEGIN WORK SHORTLY AT STEEL PRODUCTS

Chatham Plant Has Large Orders on Its Books Already

Word comes from Chatham that operations will soon be under way at the plant of the Ontario Steel Products Co. The premises in that city were badly damaged by fire in September, but quick work has brought results. A 50 per cent. operation is looked for very shortly. Furthermore, advantage was taken of the destruction of the old factory to construct a modern fireproof structure, which will insure the company against unfortunate occurrences of a similar nature in the future. The shape of the new building will be somewhat different to that of the old, permitting centralization of operations and producing greater economies in manufacture. In this they were assisted by the fortunate circumstance that, at the time of the fire, a new plant had been planned for Oshawa, after careful consideration had been given to all details. In consequence of this, a contract for the new plant at Chatham was let within a couple of days of the fire and building operations were immediately proceeded with. Already the plant has sufficiently progressed to permit certain operations to be carried on, and within a fortnight or so it will be operating at 50 per cent. of capacity. The company has more orders on its books than it can attend to for months to come, and, in spite of the interruption, will, it is declared, have a good year.

Steel Products common is now selling at 39 against 28 at the start of the year, while preferred brought 86 in a recent sales, the best point made during the year.

MAPLE LEAF MILLING

There was another very quiet week in the common of Maple Leaf Milling Company. Very few sales were registered during the week and these at 200, nine points off the high of the previous week. There is nothing to justify this sudden change in price, except that it was a return to the more or less natural level of the stock, after an exceptional boom.

B. C. FISHING

There was a continuance of good trading in the stock of the British Columbia Packers' Association, though there was a material decline in the number of shares sold, as compared with last week's record sales. The range was 64 to 65c, an appreciable decline on last week's figures.

CAN. STEAMSHIPS WILL DEVELOP PASSENGER LINE

Overseas Business Will Not be Limited to Freight Service

TO FRANCE FIRST

Belgian Freight Line Planned to Antwerp—Talk of Increased Dividend and Bonus

By Resident Representative.

MONTREAL. — Further developments are in store for Canada Steamship Lines. THE FINANCIAL POST learns that there is under contemplation the establishment of a passenger service between Canada and France in addition to the freight line that has been opened up. Nor is the trans-Atlantic passenger business of the company likely to end here. Those in fairly close touch with conditions firmly believe that for the next ten years there will be the greatest passenger traffic on record between Canada and Europe. The Canada Steamship Lines is planning to secure a share of this.

While details have not yet been worked out in regard to the proposed freight service between Canada and Belgium and Holland, it is learned that arrangements for a Belgian service will shortly be completed, and this will start during the winter, or in early spring. No difficulty is anticipated in securing freight, not only from Canada, but from the Middle Western States through the slightly lower rail rates to Montreal.

The port that is almost certain to be chosen as the port of call is Antwerp, and many marine men think that this port—renowned in the war, perhaps, more than all else for its connection with Winston Churchill's forlorn hope with his little body of marines—is destined to be the greatest shipping port on the Continent. Before the war Germany deliberately starved Belgian and French ports in order to build up her own; now this condition is changed, it is hoped, for ever.

Thus, by extending her activities to trans-Atlantic trade, the Canada Steamship Lines promises not only to retain her wartime earnings, but gradually to increase them.

Since the first dividend was declared on the common stock early this year, new confidence seems to have sprung up in the possibilities of the company. The common stock, since that time, has risen from 42-43 to over 75, or some 30 points, the latter point being reached this week on heavy buying in anticipation of early action towards increasing the dividend to 5 or 6 per cent. There is even a rumor of a bonus in addition. It is certain, at all events, that the subject of an increased return to the shareholders will be brought up at the directors' meeting that will be held the third Tuesday of November.

G.T.R. SECURITIES RISE

Guaranteed Issue Advances 10 Points on London 'Change

LONDON, ENG.—The Stock Exchange was well pleased with the cabled news of the Government's offer for the purchase acquisition of the Grand Trunk, and advances were noted in practically all the stocks and bonds of both the parent company and the Grand Trunk Pacific. The 4½ per cent. guaranteed bonds of the G.T.R. rose nearly 10 points. Comparisons of prices before and after the news was received are as follows:

Grand Trunk Railway

			Rise
Grand Trunk Railway	9⅛	10 15-16	1 13-16
4½% Guaranteed	46¾	56½	9¾
5% 1st Pref.	49½	57	7½
5% 2nd Pref.	37½	44	6½
4% 3rd Pref.	20	22½	2½
Borr'd Perp. 5%	77¼	80	2¾
Perp. 4%	61	63½	2½
Gt. West. Borr'd 5%	77	77¼	¼
5½% 5-year Notes, 1920	96½	95¾	..
6% 3-year Notes, Jan.,'21	97¼	97¾	..
6% 3-year Notes, Oct.,'21	97⅛	96½	..
Western 4%, 1950	61	61	..
Grand Trunk Pacific			
Branch 4%, 1939	85¼	86	¾
Alberta, 1939-42	82½	85¾	3¼
4% Sterling 1955A	50	59½	9½
3%, 1962	63½	65½	2
4% Sterling, 1955B	50½	50	..
Lake Sup. 4%, 1955	57	59	2
4% Debentures	50⅛	59	8⅞
5% Secured Notes, 1921	90¾	95	4¼

CANADIAN MARCONI

The arbitrators in the case of the appeal of the operators of the Marconi Wireless Telegraph Co. of Canada have granted the men an increase.. It is arranged, however, that this shall be paid by the Government and private parties who rent the apparatus from the company.

TWIN CITY

The Twin City Rapid Transit Company reports gross revenue for the month of September amounting to $974,963, as compared with $826,758 for the same month in 1918, an increase of $148,205, or 17.93 per cent. Operating expenses amounting to $699,909 left net revenue at $275,054, which compared with $253,398, an increase of $21,656, or 8.55 per cent.

UNLISTED SECURITIES

Stocks	Bid	Asked
Alberta Pacific Grain, com.	140	145
Do., pref.	87	89
Amer. Sales Book, pref.	..	74
Belding-Paul, com.	50	55
Do., pref.	88	95
British American Ass.	9	12½
Can. Machinery, com.	20	25
Do., pref.	48	53
Can. Westinghouse	115	125
Canadian Oil, com.	45	50
Do., pref.	95	100
Carter Crume, pref.	65	72
Can. Marconi	3	4
Can. Mortgage	67	72
Cockshutt Plow, pref.	76	80
Dom. Power & Trans., com.	47	55
Dunlop Tire, pref.	95	99
Frontenac Breweries	60½	..
Goodyear Tire, pref.	96	..
Home Bank	90	92
King Edward Hotel, com.	57	64
Loew's Toronto, com.	225	250
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	103	110
Trust & Guarantee	79	82
United Cigars of Can., pf.	1¾	2¼
Western Assurance	11	14
Whalen Pulp & Paper, com.	25	30
Volcanic Oil & Gas	80	88
Kipawa Paper, com.	34	..
Massey-Harris	103	118
Bonds—		
American Sales Book, 6s	90	94
Algoma Steel Corp., 5s	55	65
P. Burns, 1924, 5s	100	103
P. Burns, 1931, 5s	96	99
Can. Machinery, 6s	79	82
Collingwood Shipb'ding, 6s	85	90
Eastern Car, 5s	92	95
Mex. Northern Power, 5s	13	15
Morrow Screw, 5s	88	92
N. S. Steel Dbs., 6s	87	93
Ontario Pulp, 6s	101½	..
Porto Rico, 5s	82	85
Sterling Coal, 6s	73	76
Stone, Limited, 6s	94	98
Toronto Power, 5s	90	98
Tor. & York Radial, 5s	97	99
Toronto Paper, 6s	86	92
West. Can. Power, 5s	54	59

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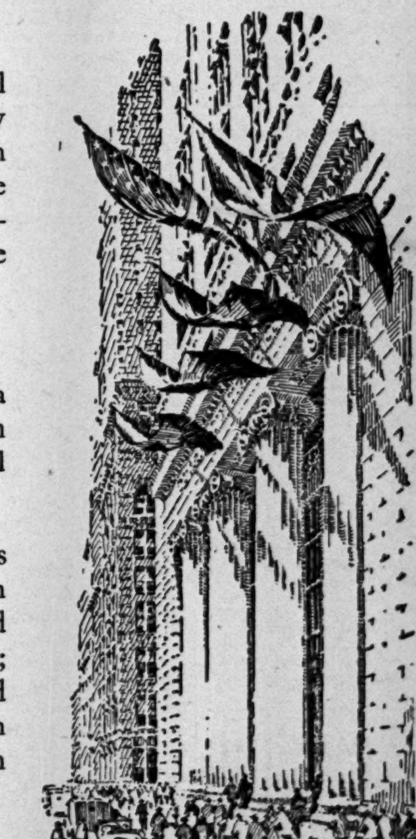

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Investments $31,461,387.24
Established 1855.

The Japanese Government is preparing to appropriate the equivalent of $125,000,000 for the development of aviation, the amount to be expended over four or five years.

REORGANIZATION OR LIQUIDATION FOR CAR COMPANY

Scheme For New Company Placed Before National Car Shareholders

$1,600,000 DEFICIT

Losses on Contract With French Railroad Were More Than Company's Entire Outstanding Capital

After a checkered career extending over about seven years, in only three of which an annual report was issued, and in only two of which profits were made, the National Steel Car Company, Ltd., of Hamilton, has had to be entirely re-organized. Sir John Gibson, president of the company, made the announcement this week, stating that liquidation was the only alternative. He gave as the reason for the company's poor condition the tremendous losses incurred in a contract with a French railway for a supply of cars. Owing to the continuation of the war, the contract led the company into many difficulties and although the directors have lately been endeavoring to get the concern on its feet again they have only been successful in reducing to a small extent the losses, which amounted to more than the total capital stock of the company.

As a result of President Gibson's announcement both the common and preferred shares broke on the Toronto exchange, although Sir John did not state very clearly what the shareholders' position would be under the reorganization scheme. Preferred shares were offered as low as 29½ with no buyers in evidence, and common was selling around $5.

Cause of the Failure

A deficit of $1,603,184 is revealed in the circular issued by Sir John Gibson, who adds:

"The shareholders are doubtless all familiar in general with the situation in which the company, has been placed through a contract which it entered into in the year 1915 for the manufacture of a large order of cars for the Paris, Lyons and Mediterranean Railway Company. Unexpected conditions arising out of the war which were encountered by the company in the performance of this contract resulted in losses which amounted to more than the total capital stock of the company. Your directors and the officers of the company have been subsequently successfully engaged in reducing the amount of these losses, and have made a material recovery upon this contract, and meanwhile have successfuly carried on the business of the company and realized the profit therefrom, which has been applied in further reduction of such losses. They have also had in mind the desirability of some arrangement by which the debts of the company could be liquidated, and as much as possible realized for the shareholders."

The following is a summary of the financial position of the company as of September 30, 1919:

Accounts payable	$3,487,740
Accounts receivable and inventory	1,884,556
Deficiency	$1,603,184

Company's Assets

To set off against this, the company expects $450,000 from the final readjustment of the French contract and has real estate, machinery, plant, etc., valued at $2,600,000.

The agreement for the reorganization of the company provides that Donald Symington, of Baltimore, Md., and Robert J. Magor, of New York, will take over the company's indebtedness and pay into the treasury $1,250,000 in cash, and will return to the company 19,000 shares of stock in the new company. The new purchasers also agree to hand over to the shareholders one-half of the proceeds received from the French contractees.

Although it is not made clear in the circular this arrangement probaly means that present shareholders will get 19,000 shares of stock in the new company, $1,250,000 in cash, and a share of the proceeds from French contract. As the value of the stock in the new company is yet an uncertainty, and as the amount to be received from France is quite as undetermined, shareholders are at a loss to figure out the real value of their stock, of which $1,500,000 in preferred and $2,000,000 in common is outstanding.

Huge Debt to Banks

Sir John expresses the hope that the reorganization scheme will meet with the approval of the shareholders as he sees no alternative but liquidation.

The Canadian Bank of Commerce is said to be the old company's largest creditor, having made advances in the neighborhood of $2,000,000 to the company.

The National Steel Car Company was organized in 1912, and its plant in Hamilton, which had a capacity of from 6,000 to 7,000 cars annually, began operations in November of that year. Although unskilled labor and other troubles that attend all new companies interfered with the first few months' operations, the directors were able to report net profits of $157,153.96 on the first year's business. The year ending November 30, 1914, was an unprofitable one. Few orders were placed by the railroads, and many of the contracts were filled at a loss. At the end of this year the surplus had been reduced to $80,785.08. In 1915 the company was able to report its banner year. Large contracts were received from many sources, and a net surplus of $527,504.56 was piled up. That was the last report issued by the company, and since then little has been known of the company's operations.

Market Range of Stocks

The market fluctuations in National Steel Car stock have been on a wide range, and it has been evident that the shareholders have never been quite sure of their position. The range since 1915 has been as follows:

	Common		Preferred	
	High	Low	High	Low
1915	55½	10	103	65
1916	40	25	90	80
1917	21	5	78	17
1918	10½	5	40	20
1919	16	5	59	18

MEXICO TRAMWAYS SECURES EXTENSION

Longer Period Allowed For Pueblo Line, Because of Unsettled Conditions

LONDON.—The report that the Mexican Government had entered into a contract with the Mexico Tramways Company for a resumption of the construction of the tramway between the City of Mexico and Pueblo is denied by the chairman of the bondholders' committee in London. No contract for the resumption of construction has been entered into with anyone, but in view of the fact that owing to the unsettled conditions in Mexico and to the financial position of the company it has been impossible to complete the line within the time specified, an arrangement has been made with the Mexican Government by which the time limit for the completion of the line to Pueblo has been extended for a further six and a half years.

As is well known, the properties of the tramways company were taken over by the Mexican Government several years ago and operated by them until May of this year, when they were handed back to the company which is now operating them. It is too early yet to judge whether the tramways can be operated without loss, but the managing director is hopeful of being able to do this and has already improved the service considerably.

WANT HIGHER FARES

Difficulties of Street Railways at London and Winnipeg

The Winnipeg Electric Railway Company has filed suit against the city to recover the loss it sustained when the city obtained an injunction restraining it from putting into effect the fare increase granted by the Manitoba Public Utilities Commission. The injunction held for five days and the company's loss was one cent for each passenger carried. Based on a daily average of 160,000 passengers, the suit will probably be made for $8,000.

There may be a strike of employees on the London Street Railway. The company has intimated that it cannot pay the increased wages that would have been granted to the men had Chief Justice Falconbridge not quashed the higher fares by-law. Unless action is taken by the city a strike seems inevitable.

WINNIPEG ELECTRIC

Gross earnings of the Winnipeg Electric Railway Company for the month of August amount to 353,194, as compared with $288,974 for the same month in the previous year, an increase of $64,220. Working expenses for the month totalled $288,650, an increase of $71,424, while net earnings amounting to $64,544 showed a falling-off of $7,204. For the eight months ending with August the aggregate gross was $2,565,812, an increase of $177,345, and the aggregate net earnings amounting to $535,661, were lower by $31,833.

TORONTO RAILS

The August earnings statement of the Toronto Railway and associated companies shows gross amounting to $1,083,741 as compared with $1,070,567 for the same month in 1918, an increase of $13,174. Working expenses, maintenance, etc., totalled $721,687, leaving net earnings for the month at $362,054, a decline of $117,006. The aggregate gross earnings for the eight months ending with August were $8,194,299, a decrease of $282,373, while the aggregate net at $3,134,289 fell off $705,499.

WESTERN LUMBER

The August statement of the Canadian Western Lumber Company shows sales of lumber amounting to 11,921,196 feet, for which $406,437 was realized. For the same month in 1918 the amount of lumber sold was 7,326,104 feet, for which the price realized was $198 066. For the eight months ending with August the lumber sold totalled 78,550,07 feet, the price realized being $2,189,370, or an increase of $259,336 over $1,930,034, the price realized for 75,002,332 feet sold during the corresponding eight months in 1918.

C.P.R. EARNINGS LIKELY TO GAIN BY $3,000,000

Net Should Show This Advance at Least over 1918

TRAFFIC SOARING

For Nine Months of Year Gross Exceeds $124,000,000—Operating Costs Over 80 Per Cent.

By Resident Representative.

MONTREAL. — The returns of the Canadian Pacific Railway Company for the month of September bear out what was forecast in The FINANCIAL POST two months ago, when for the first time the company showed a gain in net earnings. At the end of June the net earnings were over $2,500,000 below those of last year, for the first six months of 1919, and if this condition had kept up for the balance of the year the company would not have had sufficient net earnings to cover the 7 per cent. of the dividend that is paid out of railway earnings. In July, however, the steady run of decreases in net was changed, and a gain registered, and it was declared likely that the loss over last year would be more than wiped out before the end of the present year. Last month saw a substantial cutting down of this loss, and the month of September was even better, for there was a gain of close to one million dollars—$970,000—over September of last year. The result is that for the first nine months of the present year the net earnings are within $143,000 of last year's to date, as compared with $2,500,000 less for the first half of the year. At the present rate of gain the net earnings for 1919 would be some $3,000,000 ahead of the year 1918, or nearly 2 per cent. more than is required to pay the proportion of the dividend allotted to the regular earnings.

This is the real significance of the figures, for, viewed as they stand, they indicate a higher cost of operation, and far larger gross earnings increase than in net earnings. This, however, is to be expected under present conditions, and the road does well if it able to increase its gross earnings to such an extent so as not only to eat up the increase in operating costs but to show a gain in net. That is what the month of September did, for with gross earnings of $17,513,690, as compared with $13,584,770 last year, the net earnings were $4,091,919, as compared with $3,121,440 in September, 1918. What a tremendous rise in costs of labor, coal, raw material, etc., the road has had to face is seen by a comparison of the year 1916, for instance, when with gross earnings of only $12,134,159, the net earnings were $5,129,759, or over $1,000,000 ahead of the past month. With only $10,000,000 gross in 1911 the net were almost as large as this year.

The Operating Ratio

Figuring out the percentage of costs of operation it is seen that in September of this year the costs were 76.6 per cent. of the gross, but this is lower than September of last year when the costs were 77.1 per cent. This indicates where the road was able to show a gain this past month over last year. But the showing contrasts with that of September, 1910, when the operating costs were only 58 per cent. of the gross.

Below are given comparisons with the returns for the month of September since 1910, also the detailed statement for the months of September, 1919 and 1918.

	Gross	Net
1919	$17,513,690	$4,091,919
1918	13,584,770	3,121,440
1917	12,244,341	3,747,150
1916	12,134,159	5,129,759
1915	10,273,165	4,745,300
1914	10,754,140	4,367,048
1913	12,157,082	4,415,579
1912	11,579,733	4,250,303
1911	10,049,084	3,917,446
1910	9,315,214	3,917,446
1909	8,323,178	3,431,889

September—	1919	1918	Increase
Gross	$17,513,690	$13,584,770	$3,928,919
Exp.	13,421,770	10,463,329	2,958,441
Net	$ 4,091,919	$ 3,121,440	$ 970,478

The contrast with other years is even more marked when the figures for the nine months are compared, for the year 1919 to date shows the smallest net earnings since before 1910. This in spite of the fact that the gross earnings at $124,239,974 were $13,000,000 ahead of last year, yet the net is less, and when the year 1915, for instance, is compared, the gross of $69,897,075 gave a net return of $24,889,067, or over $1,800,000 more than this year. The operating costs for the first nine months of 1919 averaged 81.4 per cent. of the gross, as compared with 79.1 per cent. last year, but in 1915 the cost was only 64.4 per cent. of the gross.

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KOOTENAY FIELDS WILL BE DRILLED BY U.S. COMPANY

But Land Where Oil is Sought is Controlled by Canadians

REAL DEVELOPMENT

New York and London in the Midst of Frenzied Oil Speculation, Which Canada Has Been Spared

During the present year over one thousand new oil companies have been incorporated in the United States, with a total authorized capitalization of at least two or three billion dollars. Oil stocks in New York are very popular, and transactions in the listed and unlisted oils in that city reach tremendous totals every day. From London, England, come similar reports of frenzied speculation in oils. On one day recently, transactions were so numerous that brokers could not handle them in the regular hours of doing business and dealings went on in the street outside the Oil Share Market for hours after the official closing hour.

Canada has so far been spared the spectacle of a frenzied rush to get rich out of oil; the lessons of the Calgary boom are still impressed deeply on Canadians. It is not because there is no oil in Canada. Peace River, the Mackenzie basin and the Kootenay district are among the world's best oil areas, it has been proven by Government geologists, and exploration work is now proceeding in all these sections. The exploration work has been genuine, however, in most cases, and there has been no attempt by unscrupulous promoters to exploit this development work in the formation of "wildcat" companies.

New Company in B. C.

In British Columbia, however, a large oil development company has just been organized, but there will be no public offering of stock until oil has been struck on the company's properties, which are at present leased to American companies for exploration purposes.

The company has acquired various lands on Sage Creek, South-East-Kootenay, B.C. It holds on lease from the Government of B.C. 30,000 acres. The lease from the Government embodies the right for the company to acquire complete possession through obtaining Crown grants at prices from $10.00 to $20 per acre.

The company has leased to the Crow's Nest Oil Co. of Spokane, and their associates, 4,886.5 acres on a royalty basis, with option to the Crow's Nest Oil Co. to purchase at $500 per acre. This company are drilling and are down 1,800 feet on one well.

Negotiations are now in progress with one of the strongest U. S. oil companies towards leasing half of the balance of the company's property on a royalty basis, also with an option to purchase at $500 per acre. Both these leases include an obligation of the lessee to do certain development work. The lands so leased have been selected on the checkerboard plan. The company does not as yet propose to operate, but will await the results of the development work being done on its property by the lessees. Its working expenses are, therefore, confined to small proportions.

Stocks May be Listed

At present the brokers are handling a small portion of the underwriting, but later when oil is struck a public issue will be made and application made to have the shares listed on the Montreal Stock Exchange.

The following extract from the prospectus explain their attitude:

"The business of looking for oil is always a speculation. There is nothing new in this statement, and the public know it as well as the directors. The directors, however, believe that they have obtained the best advice available, and feel confident that their programme will result in what they consider one of the best prospects in Canada receiving a thorough testing.

"The indications of oil and gas at depth have been reported as most satisfactory, and analysis show the oil to be of extremely high grade, and its value much higher than the average. Should oil be found in commercial quantities, not only the shareholders, but the whole country will benefit."

NIPISSING'S OIL

Advices from Texas state that the drilling of the well on the property of the Nipissing Mines Company is still proceeding actively, but as yet without reaching oil. Operations are now taking place at a depth of 2,100 feet, and the drill is passing through blue shale. In the formation struck by the Nipissing drill, oil is usually discovered at from 1,700 to 4,000 feet.

CONSOLIDATED SMELTERS

Ore receipts at the Trail Smelters for the week ending October 14, totalled 4,148 tons. From October 1, 1918, to October 14, 1919, the total receipts were 334,425 tons.

MINING STOCK QUOTATIONS

Week Ending Oct. 29.

	High	Low	Close	Sales
Adanac	11	7⅝	7½	83,150
Apex	3½	3¼	..	4,000
Atlas	25¾	24	25½	19,100
Bailey	5½	5	5	7,300
Beaver	40	37½	38	44,760
Boston Creek	24	..	..	1,600
Chambers	10	9½	10	6,000
Coniagas	2.85	..	..	104
Crown Reserve	37½	35	35	1,500
Dome Exten.	34½	33½	34	17,500
Dome Lake	17	..	..	1,500
Dome Mines	14.50	14.20	14.50	321
Foster	4½	4	4	1,650
Gifford	1¾	1⅝	1⅝	11,500
Gt. Northern	3½	3¼	..	15,500
Davidson	77	76	76	1,800
Hargraves	2⅛	..	..	5,000
Hollinger	7.10	7.02	7.07	2,826
Hillcrest, com.	60	56	56	75
Gold Reef	4	3½	3½	18,000
Kerr Lake	4.10	4.00	4.10	450
Keora	19	17½	18	18,420
Kirkland	38	36	37	5,600
Lake Shore	1.12	1.10	1.12	8,200
La Rose	45	40	45	5,580
McKinley-Dar.	71½	70	70	2,400
McIntyre	1.97	1.92	1.96	10,416
Moneta	17½	14	14½	16,600
Newray	15	13	15	375
Nipissing	11.65	11.50	11.55	615
Mining Corp.	1.82	1.76	1.80	1,365
Ophir	5	4¼	4¼	19,500
Pete. Lake	13½	12¼	13½	23,700
Porc. Imperial	2	1⅞	2	6,400
Porc. Crown	28	26	26	4,100
Preston	3⅛	..	..	2,000
Porc. Tisdale	1⅞	1⅝	1¾	93,950
Timiskaming	43	41½	43	42,250
Silver Leaf	2½	..	..	2,000
Schumacher	22	20	20¼	10,100
Teck-Hughes	21	20¼	20¼	7,800
Thom.-Krist	7¼	7	7	5,000
Trethewey	30½	28	29	13,000
Wasapika	1.06	1.02	1.05	24,810
West Dome	11	10	10	17,800
West Tree	30½	27¾	28½	190,280
Cons. Smelters	31	30	30	447

WEST TREE

West Tree was listed on the Standard Stock Exchange in Toronto on Monday last, and made its entrance with a good deal of activity, 152,000 shares being traded in on the first day. The opening price was about 27¾, which rose to 30½ for the close. On the following days the stocks eased off to around 28½.

CLAIM JUMPER LOSES BULLION MINE SUIT

Rights of E. T. Ward Sustained By Privy Council Decision

By Special Representative

VANCOUVER.—After six years of litigation, the famous and valuable Bullion mine in the Cariboo has been awarded to R. T. Ward of California, who will at once proceed to develop the mine. The decision of the Privy Council in England was received on the coast by cable this week. The mine comprises 1,200 acres, and was originally taken up by a C.P.R. syndicate in 1895, Sir Edmund Osler, Sir William Van Horne and the late W. D. Matthews being interested in the early stages. This syndicate worked it until 1906, during which time $3,500,000 was spent in opening it up and equipping it. In that year it was sold to the Guggenheim interests who incorporated a company known as the Cariboo Gold Mining Company.

Half a million dollars more was spent in equipment and in canals for water supply. In 1913, the property was sold to R. T. Ward of California and ten days later is was "jumped" by John Hopp on the ground that under the Mining Act, it had been abandoned as a miner's license. Although Ward kept on working the property, Hopp applied for eleven leases covering everything, including improvements. When the first litigation finally ensued in 1916, the Government decided in favor of Hopp as to right. The latter entered action against Ward to secure possession, the Supreme Court supporting Hopp, but Ward was successful before the Court of Appeal. Hopp then went to the Privy Council whose decision has just been rendered.

Stock Movements of the Week

Week ending October 29, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Oct. 23
Banks—							
Commerce	199	...	198⅞	197½	198	103	6.09
Dominion	205¾	205	205¾	204¾	205	9	5.82
Hamilton	195	...	195	195	195	34	6.15
Imperial	199	197⅛	197⅛	197	197⅛	18	6.09
Merchants	...	191	191	189½	191	27	5.78
Molsons	194	...	190	190	190	10	6.25
Montreal	210½	210	211	210	210½	150	5.71
Nova Scotia	273	...	271	271	271	3	5.86
Royal	...	215½	215½	215	215½	54	5.58
Standard	212	210	211¾	211¾	211¾	40	6.16
Union	164	162	164	161	161	28	6.13
Transportation—							
Barcelona	8¾	8	9	8¼	8¾	250	....
Brazilian	51½	51¼	52	50½	51¼	4360	....
Can. Steamships, com.	71	70½	75½	65	70½	6088	6.06
Do., pref.	86	85¾	86	85	85¾	1567	8.23
Detroit United	109½	109	109½	105	108⅝	2168	7.54
Duluth-Superior	32	31	32¼	31	31	28	7.14
Illinois Traction, pfd.	71	...	70	70	70	50	8.21
Quebec Railway	23	22	23¾	23	23¾	1740	....
Toronto Railway	43	41	41	40¾	41	50	....
Winnipeg Electric	40	37	37¾	37¾	37¾	83	....
Telegraph, Light, Power—							
Bell Telephone	...	117	118¼	117½	117½	222	6.77
Consumers' Gas	145½	143	143	141	142	81	7.14
Mackay, com.	80	79½	80	79½	80	75	7.59
Do., pref.	66½	66¼	66½	66¼	66¼	77	6.06
Mont. L., H. & Pr., c.	90½	90	90¼	90	90	1283	5.55
Shawinigan	122	121½	122	121	121¾	713	5.73
Industrial—							
Abitibi P. and P., com.	143	140	148	142½	142½	508	4.13
Ames-Holden, com.	...	112	112½	111¼	112½	2369	....
Do., pref.	114	...	115½	114	114½	2370	6.08
B. C. Fish, com.	66	64	66¼	65	65	460	7.57
Brompton P. & P., c.	80½	80¼	83	78¾	83	5944	6.09
F. N. Burt, com.	107	105	105⅛	105	105⅛	129	7.61
Do., pref.	107	105	105¼	105	105¼	118	6.66
Canada Bread, com.	26	25½	26¼	24½	26⅛	790	....
Canadian Car, com.	49½	48¾	50	48½	48½	1902	....
Do., pref.	99½	...	99	98	98½	683	7.07
Canada Cement, com.	72	71	73¾	71½	71½	1416	8.21
Do., pref.	101	100	101	101	101	247	7.00
Can. Converters	69	67	69	67	67	255	7.24
Can. Cottons, com.	95	94	95½	95	95	60	6.25
Do., pref.	...	...	84	84	84	5	7.22
Can. Fds. & Forg., c.	185	...	185	184¾	185	200	6.48
Can. Locomotive, com.	101	100½	102	100	101	407	5.88
Do., pref.	...	96	96	93¼	93¼	15	7.21
Can. Gen. Elec., com.	113	112	113½	112	112	340	7.01
Carriage Fact., com.	28½	26	29	29	29	45	....
Do., pref.	70	69¾	70	70	70	80	....
City Dairy, pref.	...	91¼	92	91¼	92	16	7.69
Dominion Bridge	110	109½	113½	110	110	1130	7.01
Dom. Canners, com.	63½	62½	64	61½	62½	1730	....
Do., pref.	88	...	87½	87½	87½	85	8.04
Dom. Steel Corp.	68	67¾	70	67¾	68	4385	8.57
Dom. Iron & Steel, p.	98	...	95	95	95	25	7.36
Dominion Coal, pref.	99	98	98	98	98	20	7.14
Dominion Textile, c.	120¾	120	122	120¾	120¾	355	6.50
Do., pref.	...	105	106	106	106	15	6.66
Lake of the Woods	222	220	222½	219	222½	70	5.50
Laurentide	242	241	243⅛	236	241	1315	4.91
Lyall Construction, c.	144¾	144	148	140	145	2045	5.67
A. Macdonald, com.	37⅛	36¾	39	37	37	886	....
Maple Leaf Milling, c	202	197	201	200	200	36	6.00
Do., pref.	103¾	103	104	103	103	56	6.79
Montreal Cottons, com.	...	...	83	81	81	45	6.02
Do., pref.	...	102	102	102	102	36	7.00
Monarch Knitting, pf.	90	88	89	89	89	5	7.77
National Steel Car, c.	10	...	11	10	10	185	....
Do., pref.	37	33	45	34¼	34¼	95	....
N. S. Steel, pref.	...	105	105	105	105	10	7.61
Ogilvie Flour, pref.	...	...	108	108	108	15	6.42
Ont. Stock Products, c	40	39	40	39	39	50	....
Do., pref.	...	...	86	86	86	25	....
Pacific Burt, com.	35	...	33	33	33	5	6.06
Penmans, com.	110	108	110	107	107	25	5.40
Riordon P. & P., com.	153½	152⅞	157	153	153	465	6.41
Do., pref.	97¾	96	97¾	97½	97½	119	7.14
The A. Rogers, com.	75	...	77	77	77	5	....
Do., pref.	...	94	95	95	95	5	....
Russell Motor, com.	100	...	100	99	99	45	6.93
Do., pref.	100	...	109	109	109	25	6.86
Sawyer-Massey, pfd.	61	60½	61⅞	60	61	65	....
Shredded Wheat, com.	146	143	147	145	145	20	5.51
Smith Paper Mills, c.	138	135	135	130	130	51	....
Do., pref.	...	99	99	99	99	10	7.07
Spanish River Pulp, c.	68½	67½	70¼	68	69	4381	....
Do., pref.	116	115½	117	116	116	520	....
Steel of Canada, com.	72¼	71¼	73	71	72	3140	8.21
Do., pref.	100	99½	100	99	101	95	7.00
St. Lawrence Flour, c	115	113	116	114	114	150	5.17
Tooke Bros., com.	...	...	68	67	67	270	....
Do., pref.	91	...	90	90	90	40	7.77
Tuckett Tobacco, com.	57	55	58½	57	57	191	....
Do., pref.	90½	90	90¼	90¼	90¼	5	7.77
Wayagamack, com.	83½	83	90	82	82¾	11948	....
Woods Mfg., com.	116	...	114	114	114	5	6.14
Do., pref.	...	85½	85	85	85	100	8.04

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LONDON
Smoking Mixture
THE FINEST QUALITY PIPE TOBACCO,
THIRTY CENTS PER PACKAGE

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on the lives of the men who run the business is just as important as fire insurance on the property. Fire is a possibility but death is a certainty.
The ready cash from a Canada Life Business Insurance Policy at such a time will readjust matters and carry on the business as nothing else can do. Ask for particulars.
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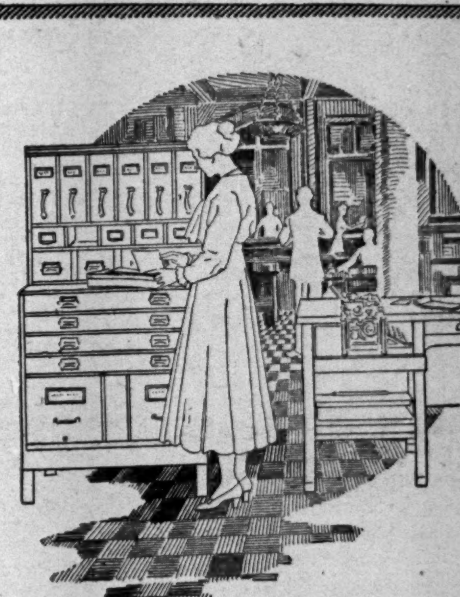

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All the manufacturing resources of "Office Specialty" are concentrated on the production of *standardized* and *interchangeable* Filing Equipment. This guarantees to you:
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MACHINES REPLACE MEN

In an effort to solve the labor problems that have been curtailing production in all the mines in the North, the Hollinger and McIntyre Mines have decided to instal mechanical muckers, which will handle the ore underground. It is expected that this innovation will to some extent relieve the labor shortage, which has been getting worse rather than better. McIntyre Mine is down to 340 men now and has lost men steadily during the past month, largely through the call of the woods' operations.

POSITION WANTED

Returned R.A.F. Officer, 27 years of age, single, with six years' Banking experience from Junior to Accountant, wishes to enter a Financial or Manufacturing House with opportunity for advancement. Best of testimonials as to ability, honesty, etc. Apply BOX 8, FINANCIAL POST, TORONTO

Soft Coal Shortage?

Every user of soft coal in the country should understand clearly the grave situation that confronts him and then take definite steps to protect himself.

BABSON'S

Barometer Letter of October 28 describes accurately just which this situation is, and contains a message of vital importance to every user of Bituminous Coal.

Report on Request

A few copies of this letter are available for distribution to interested executives, gratis. A request on your letterhead will bring a copy of it, and also full details of Babson's "Service to Executives."

Write Today for Bulletin 29K of

Babson's Statistical Organization
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Largest Organization of Its Character in the World

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RECONSTRUCTION is the order of the day. If you have formed the Savings habit you are prepared to meet its opportunities; if not, reconstruct your methods and begin today. We have a Savings Department at every Branch. 29

THE
STANDARD BANK
OF CANADA
MAIN OFFICE
15 KING STREET WEST
15 BRANCHES IN TORONTO

MONEY BANKING AND EXCHANGE

BANK CLEARINGS ARE 27% AHEAD OF LAST YEAR

Gain in the East is 36.6 Per Cent., and in West 10.7 Per Cent.

FIVE CITIES DECLINE

Windsor Again Reports Largest Percentage Gain—Toronto Gains 53%; Montreal 32.5%. Winnipeg Slightly Lower

Bank clearing returns from twenty-six cities reporting for the week ending October 30, amount to $379,674,388, as compared with $297,746,849 for the corresponding period of 1918, an increase of $80,927,539, or 27.1 per cent. The gain in the East is $70,639,287, or 36.6 per cent., with Ottawa the only city to show a lower return. Windsor again shows the largest percentage gain with a total for the week at $2,307,432, a gain of 122.7 per cent. Kitchener also shows a substantial increase at 71.1 per cent., while Toronto shows a gain of 53 per cent., and Montreal a gain of 32.5 per cent.

Western cities show an increase of $11,288,252 or 10.7 per cent., with Winnipeg, Saskatoon, Moose Jaw and Lethbridge reporting decreases. Vancouver reports a gain of 57.8 per cent., and Victoria a gain of 44.6 per cent. Winnipeg shows a small decline of 1.1 per cent. Following are comparative figures for the week.

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities

	Oct. 23, 1919		Change	%
Montreal	$ 134,179,180	+	$ 32,909,815	32.5
Toronto	92,906,763	+	32,207,673	53.0
Ottawa	8,046,645	—	281,928	3.3
Hamilton	6,136,462	+	1,050,786	20.6
Quebec	5,485,024	+	585,518	11.9
Halifax	4,581,093	+	146,576	3.3
London	3,108,514	+	988,202	46.6
St. John	2,891,999	+	908,533	45.8
Brantford	1,220,848	+	331,545	37.2
Peterboro	870,594	+	60,148	7.4
Sherbrooke ...	769,774	+	36,998	5.0
Kitchener	1,018,472	+	424,119	71.1
Windsor	2,307,432	+	1,271,302	122.7
Total, East. ..	$ 263,522,799	+	$ 70,639,287	36.6

Western Cities

	Oct. 23, 1919		Change	%
Winnipeg	$ 68,758,319	—	$ 791,689	1.1
Vancouver	15,521,230	+	5,689,222	57.8
Calgary	10,503,563	+	2,921,165	38.5
Edmonton	4,985,578	+	1,486,681	42.5
Victoria	2,260,568	+	697,262	44.6
Regina	6,117,862	+	990,724	19.3
Saskatoon	2,445,644	—	36,173	1.4
Moose Jaw ...	1,989,817	—	102,451	4.8
Brandon	1,056,422	+	199,667	23.3
Lethbridge ...	832,361	—	71,205	7.8
N. Westminster	623,360	+	117,007	23.1
Medicine Hat .	593,234	+	107,114	22.0
Prince Albert .	463,631	+	80,928	21.1
Total, West. ..	$ 116,151,589	+	$ 11,288,252	10.7
Grand Total .	$ 379,674,388	+	$ 80,927,539	27.1
Yr. to date	$12,456,357,307	+	$1,935,049,370	18.3

Returns of bank clearings for October for the City of Quebec total $26,803,429 while Brandon reports a total of $3,525,113 for the month.

ROYAL

At a meeting of citizens of Paisley Thomas Muir, manager of the Royal Bank, on the eve of leaving for Simcoe where he has been appointed manager of the branch, was presented with a gold watch accompanied by an address. Mr Muir has been manager of the bank at Paisley for eight years, and is succeeded by R. McLennan, formerly of Burford.

A branch of the Royal Bank of Canada will open up on St. Clair avenue, south side, between Dufferin and Elmwood, the bank having leased one of the new stores built by the Tooze Hardware Company. The new branch will be open for business about the second week in November. The Rolay will make the second branch bank on St. Clair, not including the branches at Fairbank and Oakwood.

UNION

C. M. Forbes, recently returned from military service has been attached at Virden Man and M. Brine, of the Virden branch has been transferred to Minnedosa.

The Dundalk, Ont., *Herald* announces that prior to leaving for Caledon, G. B. Clarke, manager of the Dundalk branch of the Union Bank was presented by the business men of the town with a purse of money as a token of good wishes from the townfolk. Mr. Clarke had been located in Dundalk for five years.

R. M. Bacon, of Vanguard, Sask., has been transferred to Plenty, Sask.

H. S. J. Rogers, of Winnipeg, has been transferred to the branch at Prince Rupert, B.C.

S. Bjarnason, Strongfield, has been transferred to Regina, Sask.

The Union Bank is building its own branch building at Clanwilliam Man and according to the Minnedosa "Tribune", the new "block adds very much to the appearance of the village."

J. H. Burford, Kerrobert, Sask., has been transferred to La Porte, and placed in charge of this sub-branch.

R. Callard, manager at Craik, Sask., has been transferred to Winnipeg.

HAMILTON

J. W. McCabe, manager of the Vancouver branch of the Bank of Hamilton, and in charge of the business of the bank in the Province of British Columbia, recently returned from a short business trip to Kamloops and Oganagan districts. He reports excellent conditions throughout the territory he visited.

IMPERIAL

The new Imperial Bank building for Earlscourt district, it is understood, will be constructed next spring at the corner of Boon Ave. and St. Clair Ave., Toronto.

COMMERCE

The north-west corner of Lee avenue and East Queen street, Toronto, has been purchased for a branch bank site by the Canadian Bank of Commerce.

NOVA SCOTIA

A branch of the Bank of Nova Scotia has been opened at Salisbury, N.B.

DOMINION

The Dominion Bank announces the opening of a branch at Thamesville, Ont.

BANK BRANCHES

According to Houston's Bank Directory for October the total number of branches of the Canadian chartered banks at the end of September was 4,316, 4,170 branches being situated in Canada.

BANK OF ENGLAND

London, Oct. 30.—The weekly statement of the Bank of England shows the following changes:—

Total reserve decreased......	£ 1,019,000
Circulation increased	1,043,000
Bullion increased	23,040
Other securities decreased....	2,428,000
Public deposits increased....	342,000
Other deposits decreased.....	28,525,000
Notes reserve decreased......	997,000
Govt. securities decreased....	24,726,000

The proportion of the bank's reserve to liability this week is 15.88 per cent.; last week it was 13.80 per cent. Rate of discount, 5 per cent.

TWINE FROM FLAX

Successful Experiments Have Been Conducted in Saskatchewan

By Resident Representative.

REGINA.—That the manufacture of binder twine and felt from fibre of Saskatchewan flax grown for seed is commercially feasible is the report to the Provincial Department of Agriculture of F. W. Van Allen. Experiments were begun here some years ago at the expense of the Provincial Government and the carding and finishing processes have been completed in the East. Samples of both twine and felt have been received. One of the twine samples is 550 foot twine, three-ply, which tests have shown has a breaking strain of 65 and seven-tenths pounds. The other sample is 600 foot twine, three-ply, with an average breaking strain of 45 pounds.

The experiments will have an important bearing on farming here as many thousand tons of flax straw are annually destroyed after threshing.

VICTORY LOAN IS GOING WITH A GREAT SWING

Continued from page 1.

Although large subscriptions make up a great part of the total, officials of the loan state that the average man is buying just as enthusiastically as he did last year, when the loan was divided among 1,029,850 subscribers. Canvassers, who expected hard work convincing the people that they should buy bonds, report that their percentage of buyers is quite as large as in any previous campaign.

The Investment Situation

Although there has been less interest displayed in the stock market, the situation has been generally firm. Some declines have been noted on realizing sales, but for the most part the recent gains have been well held. In bonds there has been little business. Mines have not been active.

The New York situation has been somewhat unsettled as on account of the threatened coal strike, but for the most part this seems to have been discounted as was the steel strike. The expectation of the business and financial world is that the outcome will be similar unless organized forces of labor on a broad scale are drawn into the conflict, in which event a long drawn battle would undoubtedly ensue.

CHANGES DURING THE WEEK

	Last Oct. 23	Sale Oct. 30	Change
Ames-Holden, com. ...	111	112½	+ 1½
Do., pref.	115¼	115	— ¼
Asbestos Corp., com...	86	83	— 3
Do., pref.	95	93	— 2
B.C. Fish., com.	66	64½	— 1½
Can. Cement, com.....	73¼	72	— 1¼
Do., pref.	100	101¼	+ 1¼
Can. Car., pref.	99¼	91½	— 1¾
Can. Converters	69	70½	+ 1½
Can. Locomotive, pref.	97½	93¼	— 4¼
Carr., Factories, com..	29	26	— 3
Dom. Bridge	113½	112	— 1½
Dom. Textile, com. ...	122	120¾	— 1¼
Lake of Woods, com.	220	223	+ 3
Lyall Cons.	144	149½	+ 5½
Montreal Cotton, com..	83	76	— 7
Do., pref.	*100½	102	+ 1½
Nat. Steel Car, com...	10	6½	— 3½
Do., pref.	39½	34¼	— 5¼
Ont. Steel, com.	40	47	+ 7
Do., pref.	83	87¾	+ 4¾
Penmans, com.	111	107	— 4
Wm. Rogers, com.	80	77	— 3
Russell Motor, com. ..	101	99	— 2
Do., pref.	102	98	— 4
Tooke Bros., com.	70	67	— 3
Nat. Breweries, com..	181	183¾	+ 2¾
Abitibi Paper, com....	148	141	— 7
Tuckett Tobacco, com.	60¼	57	— 3¼
H. Smith Paper, com..	133	135	+ 2
Riordon Pulp, com. ...	157	153	— 4
Barcelona	9⅝	8¼	— 1⅛
Steamships, com.	66	73	+ 7
Detroit Rly.	106½	109	+ 2½
Consumers' Gas	140	145	+ 5

*Last previous sale.

NEW YORK FUNDS FAILED TO DROP ON LOAN BUYING

Effect Already Discounted, But May be Movement Later

FRANCS ARE LOWER

French Minister States France is World's Largest Creditor —Russia and German Debts Included?

New York funds were firmer this week, and announcements of large American subscriptions to Canada's Victory Loan did not have the effect of easing the market. During the week funds rose from 3 3-8 to 3 3-4, a margin for the week of 3-8 per cent. Last week the easier rate for funds was caused by traders discounting the effects of the impending loan, but a strong buying movement this week offset the loan discounting, and it will not be until the money to pay for Victory bonds comes across the border that the loan will be a factor. For the next few days, too, there is sure to be a strong market because of the end of the month remittances, which are a regular feature of American exchange fluctuations.

During the week, New York funds have shown fluctuations as follows:

October 24.—Funds opened at 3⅜, sold at 2 15-32, moved up to 3⅝ and then went back to 3 9-16 for the close.

October 25.—Opening was at 3 9-16 nominal; sales were made at 3½ and 3 7-16, but the closing was firmed at 3 15-32.

October 27.—New York funds opened at yesterday's closing quotation of 3 15-32, and rose to 3½ and 3 19-32 before the market closed.

October 28.—Opening was at 3 19-32; close 3 9-16.

October 29.—New York funds opened at 3⅝ and moved upwards by thirty-seconds until the close, which was at 3 23-32.

October 30.—Opening was at 3 11-16, and funds moved higher for the close at 3¾ each way.

France a Creditor Nation

Francs have been very weak, and have fallen to 8.88 during the week, which is considerably under 12 cents per franc.

It is interesting to note that France owes 30,000,000,000 francs to other nations, about one-half of which is owing to the United States. M. Klotz, French Minister of Finance, in his budget speech last week, stated that France has credits abroad more than double her entire indebtedness, and he ventured the statement that France was the largest creditor nation in the world. There was some lack of clearness in the minister's statement, but a guess might be hazarded that of the 60,000,000,000 francs, which he said France had owing to her, a good proportion represents the expected German indemnity and debts from Russia, which are both very uncertain items at present.

Sterling and francs have moved as follows this week:

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Oct. 25	4.16½	4.17¼	8.63	8.61
Oct. 24.	4.15½	4.16¼	8.62	8.60
Oct. 27	4.17¼	4.18	8.68	8.66
Oct. 28	4.17½	4.18⅛	8.65	8.63
Oct. 29	4.15¾	4.16½	8.73	8.71
Oct. 30	4.16½	4.16¾	8.88	8.86

BOX-HOLDERS SUE

Result of a Bank Robbery in Indiana

CHICAGO. — Twenty-eight suits have been filed against a bank at Bambridge, Ind., by persons who owned Liberty Bonds, which were kept in the safety deposit vaults of the bank which was recently robbed. There was some question as to the legal liability of the bank. The bank unfortunately did not carry burglary insurance covering safety deposit boxes. Naturally the reputation of the bank is greatly impaired because of denial of liability to safety deposit people. On account of the just such danger as this most banks are taking out burglary insurance which covers not only their own funds, but those of safety deposit boxes and money and securities of customers kept in the vault.

EXPLAINS INCOME TAX

Somewhat different from the average booklet describing the working of the Income Tax law is a brochure issued by the Royal Securities Corporation of Montreal. The booklet has a series of tables which enable any person to determine the exact amount of the tax they will be called upon to pay. There is also a chapter which defines what classes of income are taxable and which are exempt from taxation. This chapter defines principal and income, a distinction that is very hard to make without expert help, such as is provided by this booklet.

LONDON JOINT CITY AND MIDLAND BANK, LIMITED

HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2

30th June, 1919	$5=£1
Subscribed Capital - - - - -	$177,726,615
Uncalled Capital - - - - -	136,281,252
Paid-up Capital - - - - -	41,445,362
Reserve Fund - - - - - -	41,445,362
Deposits - - - - - - - -	$1,855,273,000
Cash on Hand and Balance at Bank of England - - - - - - -	397,133,860
Money at Call and at Short Notice - -	380,340,540
Investments and Bills of Exchange - -	481,523,065
Advances - - - - - - - -	584,372,130
Advances on War Loans - - - -	61,245,810

Overseas Branch: 65 & 66, Old Broad Street, E.C.2.
Foreign Banking Business of every description undertaken.
The Rt. Hon. REGINALD McKENNA, Chairman

ANNUAL REPORT
OF THE DIRECTORS OF
COCKSHUTT PLOW COMPANY, LIMITED

YEAR ENDED JUNE 30TH, 1919

To the Shareholders:

Your Directors present herewith the Financial Statements of the Company for the year ended June 30th, 1919, duly audited, and confidently hope that same will be considered satisfactory.

The Plant of the Company has been operated continuously during the twelve months under review and we have had an increased output over that of any previous period in the history of the Company. Our product is well thought of, is of high quality and holds its own in every field, both at home and abroad.

The position of the Company has materially improved. Collections have been fairly well met and your Directors have been able to declare and pay four quarterly dividends of 1% each on the Preference Capital. We expect to continue such payments until conditions become more settled, and further hope to declare and pay at an early date a dividend of 3½% on account of deferred dividends on our Preference Stock, provided collections from the proceeds of the 1919 crop warrant it.

Your Company, in common with all other manufacturing concerns in Canada, has passed through a very trying period and, now that peace has been declared, the general state of business is in a readjustment condition. It is therefore necessary that commercial caution be used in meeting the changing conditions and in anticipating future requirements.

The employees of the Company have been very loyal, and while there has been considerable unrest, your Company, on the whole, has reason to be satisfied. We have naturally increased wages, and reduced the working time to eight hours per day. All returned soldiers, previously in the employ of the Company and who wished to return to work, have been taken back and every consideration shown them.

In Canada, at the present time, there is a good deal of restlessness and uncertainty in the implement trade, caused by the unreasonable criticism of certain elements in the community. It is contended that goods are sold at too high a price and that the customs duty on implements accrues altogether to the benefit of the manufacturer, when, as a matter of fact, the raw products that go into the construction of an implement, are subject, generally speaking, to a higher rate of duty than is charged on the finished product.

The price of all raw materials continues to rule very high. It is essential that adequate stocks of material should be on hand to supply our customers' demands; while, on the other hand, constant care is necessary to avoid overstocking in the event of a sharp recession in price.

Your Directors and Management have at all times encouraged co-operation among all classes of the Company's employees, and every effort will be made in the future, as in the past, to better working conditions.

We greatly regret the loss by death of Mr. Geo. E. Drummond, of Monreal, an esteemed Director of the Company for many years.

Mr. F. Perry, a Director for some years, found it necessary to resign his place on the board during the year.

All of which is respectfully submitted. H. COCKSHUTT, President.
Brantford, September 13th, 1919.

BOARD OF DIRECTORS

Col. Henry Cockshutt........Brantford, Ontario
President, Managing Director and Treasurer
George Wedlake ....Brantford, Ontario
First Vice-President and Manager
E. A. Mott ....Winnipeg, Manitoba
Sir Augustus Nanton ....Winnipeg, Manitoba
George K. Wedlake ....Brantford, Ontario
James Adams ....Brantford, Ontario

TRANSFER AGENTS
MONTREAL TRUST COMPANY, LIMITED,
Toronto, Ontario.

FINANCIAL AGENTS IN LONDON
EQUITABLE TRUST OF LONDON, LIMITED
7 Gracechurch St., London, E.C., England

ASSETS

Property, Fixed and Loose Plant and Business, after deducting Depreciation Provided to Date........		$7,920,361.06
Shares in Capital Stocks of Affiliated Companies, fully Paid Up—value as per books		675,000.00
Stocks of Raw Materials and Supplies, Goods in Process and Finished Product, as per Inventories—valued on the Basis of Cost:		
Brantford	$1,164,567.09	
Western Branches	1,679,879.23	
		$2,844,446.31
Accounts and Notes Receivable, less Provision for Doubtful Debts...		4,603,841.61
Insurance and Other Items Paid in Advance........		24,912.39
Cash in Bank and on Hand........		67,483.16
		$16,136,044.53

Approved on behalf of the Board.
(Sgd.) H. COCKSHUTT } Directors..
(Sgd.) G. K. WEDLAKE }

LIABILITIES

SHARE CAPITAL:		
Authorized:		
75,000 7% Cumulative Preference Shares of $100.00 each	$7,500,000.00	
75,000 Common Shares of $100.00 each........	7,500,000.00	
	$15,000,000.00	
Issued:		
64,650 7% Cumulative Preference Shares of $100.00 each	$6,465,000.00	
50,000 Common Shares of $100.00 each........	5,000,000.00	
		$11,465,000.00
Bank and Other Loans		594,767.87
Accounts Payable, including Estimated Income War Tax........		598,650.31
Dividend Declared 30th June, 1919, and Unclaimed Dividends........		68,757.00
Employees' Welfare Fund		9,481.50
RESERVES:		
Capital Reserve	$1,500,000.00	
Contingent Reserve	1,000,000.00	
Merchandise Reserve	500,000.00	
		$3,000,000.00
PROFIT AND LOSS ACCOUNT:		
Credit Balance at this date as per account herewith........		399,387.85
Note: The Dividends on the Cumulative Preference Shares have been declared and paid to 30th June, 1914, and further Dividends totalling 8% have been declared during the two years ended 30th June, 1919.		
		$16,136,044.53

To the Shareholders,
COCKSHUTT PLOW COMPANY, LIMITED:

We have examined the foregoing Balance Sheet as at 30th June, 1919, and the accompanying Profit and Loss Account for the year ended at that date with the books of the Company and the certified accounts and returns from the Company's Branches, and we have obtained all the information and explanations we have required. In our opinion, the above Balance Sheet and the Profit and Loss Account are properly drawn up so as to show a true and correct view of the state of the Company's affairs as at 30th June, 1919, and the results of the Company's operations for the year ended at that date, according to the best of our information and the explanations given to us and as shown by the books of the Company and the accounts and returns from the Company's Branches.

Brantford, Ontario, 2nd September, 1919.
(Sgd.) ARTHUR K. BUNNELL

Montreal, Quebec, 2nd September, 1919.
(Sgd.) DELOITTE, PLENDER, GRIFFITHS & CO.
Auditors.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1919

To Dividends Amounting to 4% on Cumulative Preference Shares.....	$ 258,600.0
To Balance as per Balance Sheet........	399,387.85
	$ 657,987.85
By Balance at Credit 1st July, 1918........	$ 86,401.32
By Net Profit from Operations, after providing for Depreciation....	571,586.53
	$ 657,987.85

NEWS AND VIEWS FOR MANAGERS

THE BANKS ARE SEEING NEED FOR PUBLIC SERVICE

Head Office Policies in Regard to Premiums on Exchange

CHARGES ARE DENIED

Managers Would be Dismissed if They "Skimmed" Anything for Themselves—Opinions Are Given

The matter of giving to bank customers full credit for premiums on American funds or other benefits of exchange, which was the basis of complaints against Canadian banking policy and the principles of bank managers referred to in the last issue of THE FINANCIAL POST, has been seriously discussed with both head office officials and with branch managers. In every case I have found a keen sense of the necessity of meeting public opinion in connection with these matters. Also the evidence is that if there have been exceptional cases where on small transactions full credit for the exchange premium has not been given, they have represented the zeal of individual managers to make a good showing for their branches and not the policy of head office or a desire to skim something off the top for themselves.

In the first place Canadian bank policies are a unit on the point that the manager shall make nothing for himself. The employees who would put into his own pocket one cent collected on exchange or on any other business of the bank would be regarded as a thief just as much as though he took the money from the teller's cage. There are many instances where managers have been discharged for trifling offences in this connection. Slight reflection will show reason why the banks have to be very strict on this point for their own protection. In fact the majority of the banks now go so far as to rule against managers taking insurance or doing anything "on the side" which might interfere with their service to the institution and the public.

The attitude of the various banks on this question may be indicated by statements made. The general manager of one of the largest of the big chartered institutions, with head office in Montreal, says:

> "It has been the policy of this bank to give our customers the full benefit of market conditions governing the premium on American funds. Our branches have been instructed accordingly and we are satisfied that each of our branch managers is carrying out the instructions to the letter. We would take strong exception to even a remote suggestion that a representative of the bank would benefit personally through the unfamiliarity of any of his clientele with the operations of the exchange market."

Emphasizing the same points the general manager of another bank, with head office in Toronto, says:

> "From observation I am of the opinion that the practice of paying a premium to customers for American funds deposited is general among the banks. I agree with you that if definite complaints have been made in regard to the treatment the public is receiving in this respect from the banks, it is in the interest of the business generally and the banks, that some authoritative statement be made through your valued paper.

Further, with regard to the instructions given to managers, the supervisor of another bank says:

> "In our institution managers are instructed that, while exchange constitutes one source of profit, they must bear in mind that it is the volume of transactions that makes such profit and not one additional case, and that this volume, of course, depends on satisfied customers."

Where Complaints Arise

At the same time the inquiries which I have made indicate that some complaints may not have been without reason. That there have been exceptional cases, where full credit has not been given to the customer, however, appears to be due largely to the fact that the exchange situation recently has been an abnormal one. Further, there is no doubt but that in many instances the customer is inclined to think that he is entitled to more than he actually is. On small checks the premium in most cases will no more than offset the usual collection charges. Then some of the banks have had complaints and have acted upon them is indicated by the statement from the general manager of another bank with headquarters in Montreal. He says:

> "A considerable time ago we learned that some of our managers had not been doing this invariably with customers who did not know what they were entitled to and we immediately sent a circular to all our branches, giving instructions for our policy mentioned above being carried out in every case."

The Manager's Standpoint

The complaint referred to in this column last week having referred specifically to London, I communicated with the managers of the various banks in that city and have already received several replies. One of these indicates that with some managers there has been a tendency to regard exchange not demanded as legitimate profit for the branch—not for the manager. This manager says:

> "The insinuation of the 'Toronto business man of standing' is, I think, speaking very generally, unfair. There may be some branch managers who, when the customer does not demand any premium, look upon it as legitimate profit for the branch. If the manager were putting the premium in his pocket as thought by the Toronto business man, he would have to be working in conjunction with the teller, which is a very unlikely thing for him to do, and would not last very long."

Other managers take the view that in making such a serious charge THE FINANCIAL POST'S correspondent should have been more specific. The manager, they argue, is a trusted officer, and the substantiation of any charge of "skimming something off the top" for himself would mean his immediate dismissal.

Satisfying the Public

What has impressed me particularly with regard to this matter is the realization by those in charge of the policies of our big banks that the interests of the public must at all times have first consideration. There is undoubtedly room for a great deal to be done in this direction. The banks have not been popular with the people Many complaints are heard, and the harmfulness of these is not disposed of by the fact that these are to a large extent made by those who have not been able to secure what they wanted, but to which they were not legitimately entitled. There is room for much education so far as bank service is concerned. The big bank cannot afford to ignore the complaint of its smallest customer any more than can the big department store.—J.W.T.

BANK MANAGERS AND THE VICTORY LOAN

Some New Arrangements Regarding Deferred Payments by Farmers

One of the features of the Victory Loan campaign as it will apply to the bank managers in the West, is an arrangement that at the request of the Minister of Finance, Sir Henry Drayton, has been made general, that is, that instead of compelling a farmer to keep up the ten payments every month on the balance of the bonds to which he has subscribed, the bank will, in the first instance, take his note for a year, and will carry the bonds for him until he disposes of next season's crop and can reimburse the bank. As a matter of fact, several of the banks gave their managers instructions last year to do this, and the Minister, hearing of the arrangement, gained the consent of all the banks to make it universal. This is likely to make a big difference in the subscriptions to the loan in the rural sections in the West.

Another "ruling," which is not new this year either, so far as some of the banks are concerned, is one that allows the local manager to disregard the usual credits he is allowed on certain accounts, and extend the privileges of a loan on Victory bonds over and above this total. For instance, if a manufacturer has a regular line of credit of $50,000, and it should happen that his staff subscribes this amount to the loan, and he requires. say, $45,000 loan on the bonds, he will not be penalized on his regular line of credit to this extent; otherwise it would disappear and the expansion. or ordinary requirements of his business would be hampered. In this case the local manager will disregard the Victory loan and extend the usual credits.

BANKS AND ADVERTISING

Sale of Public Securities Has Advanced Publicity Methods

The sale of Liberty bonds and War Savings Stamps has done more to arouse interest in advertising among financial institutions than any other factor in years, according to W. R. Moorehouse of the Guarantee Trust & Savings Bank of Los Angeles. Mr. Moorehouse, addressing the Financial Advertisers' Association of that city, said:

> "The war has almost entirely swept away the old mistaken notion that it is undignified for banks to advertise. It advanced financial advertising fully ten years. Many banks which looked with indifference on advertising prior to the war used it extensively in the sale of war bonds and War Savings Stamps Posters and banners which under no ordinary circumstances would have been alowed to adorn the walls of these banks were used in superabundance.
>
> "By using these mediums to sell war securities, hundreds of banks have been soundly converted to the value of advertising. This has made it easy for our bankers to reach the conclusion that it is not only dignified for them to advertise, but that it can be made very profitable as well."

OPPORTUNITIES FOR EXTENDING SERVICE

An American Banker's Practical Views of What Can Be Accomplished

The telephone originally transmitted the human voice from one to another nearby point. Now it takes the voice across the continent and eventually, in all probability, will carry its message under or over the seas to stations hemispheres apart. When the first telephone conversation was held over a wire stretched from one to the other end of a long field, there was not visualized millions of offices and homes the country over with a service of inter-communication. This, however is what has been projected and accomplished through thoughtful application of the principles of right purpose, a real appreciation of telephone-service and its relation to public convenience and utility.

Banking institutions are projecting and developing to-day the same sort of big work. They are carrying out into the same big world their big message—the message of service.

Banks and the Public

In the past few years tremendous change has marked the attitude of banking institutions toward the public. One used to approach the cold and distant bank official in his secluded sanctum with the same pleasure that he approached the operating chair of his dentist. Now desks of officials are out in front. The bank officer to-day is accessible. He sits where he may observe all that is going on—where he may see that unfailing courtesy and attention is accorded to patrons and public. He endeavors to make it impossible for those who enter the bank to pass out without a nod, a cordial good-morning, or handshake from some one in the organization. Banking methods have always changed and continued changing under the exigencies of requirement and improved systems but the new spirit that is manifest in the operation and service of banking institutions to-day is a permanent one. This spirit is meant to reach you and to help us. It emanates from right purpose, is unselfish, genuine and sincere.

Services of Many Kinds

Bank service is what a bank can do for you or me or in our interest. It used to be necessary to go to the president or cashier to find out what a bank could or would do in our behalf. Now the bank comes to us. A representative calls and tells us, writes and tells us or in some way, without asking, we are made aware that the bank is not only prepared but anxious to do many things for us for which no recompense is asked. These many things it may also be remarked, are not growing less but constantly increasing, both in number and importance.

How much would you or I know about inheritance taxes, income taxes, the convertible and exempt features of Government bonds and many other financial, fiduciary and business requirements in connection with our interests and affairs if it were not for bank service? Had it not been for the bank's extension of service how could we have purchased so freely of Liberty Bonds through deferred payments, and assisted our country and the world at large in the recent perilous days when German brutalism and terror threatened civilization with destruction?

An Institution of Many Affairs

Bank service used to include little. It now includes much, where banks formerly extended few facilities, they function to-day into every corner of human convenience and activity. Originally designed to meet only the few requirements of the banks' few depositors—naturally but a small portion of the public—bank service has tremendously expanded to meet the demands created by the expansion of business in all directions. It projects itself now not only throughout the community, but far beyond into national and international operations. It has now its connection with and relation to all human affairs. If this sems too broad a statement, test it. Think of some activity or endeavor not traceable in some way to either necessary or helpful connection with modern bank service. Is your first thought the endeavors of the church? Where are church funds kept? In the bank. Where is advice sought in regard to proper investment and safeguarding of church funds? At the bank. Where are church mortgages financed? Where are the best facilities to be found for operating under deeds of trust or agreement estates or funds of which the church is beneficiary? At the bank.

Bank service has passed far beyond facilities designed for individual convenience in primary banking transactions. It reaches everywhere civilization and business requirements reach.

Bank and the Business Men

The business man no longer looks upon the bank as simply a depository for money and a medium through which to secure the collection of receivables and the discount of his paper. Banks to-day are storehouses of valuable information. Banking institutions are obliged to keep informed upon all matters of legislation affecting business and finance, and upon all forms and methods of business practices and procedure. Banks as well are veritable storehouses of business and financial experience; not alone their own, but what is quite as valuable, the accumulated experience of others. Statistics, information and experience banks no longer search out, acquire and retain for their own exclusive use. All is incorporated into their service and made accessible to depositors and public in such manner and form as to be of the greatest possible benefit to the greatest possible number. Consequently, the business looks now to the bank for sound advice, for information and statistics regarding local, national and international financial and trade conditions. He looks to the bank for trade co-operation, both in the conduct, development and financing of his business, and where warrantable co-operation is extended to him.

Matter of Co-operation

Banks can be successful only as business in other lines is successful. Business and banking are complimentary one to the other. Each is dependent upon the other, looks to the other for support of endeavor.

No service of whatsoever nature has the fundamentals of success or holds the good-will of merit unless it extends co-operation and confers benefits. Bank service to-day with its new service does both. It is not the new fields banks have entered which are so successfully extending their spheres of operation, it is the new spirit they are evidencing and committing themselves to, through their policies and service.

A new conception was given to the very meaning of banking when extended functions and facilities together with this new spirit first gave significance to the use of the term bank service. Banks now have reached the appreciation that their size, success and influence must be established and attained through the character, scope and responsiveness of their service. To-day banks in every way co-operate with business enterprise by extending to the public uniformly and without favor, all that can be offered of helpfulness in all possible directions.

CRISIS MAY SOON ARISE BETWEEN CAPITAL-LABOR

Continued from page 1.

to spend them on comforts and luxuries for himself and his family, he has as much right to do so as the employer has.

But we are starting out to remedy a situation, and something must be done, either by educating the workers to get lasting benefits from their increased earnings, or perhaps by putting into operation some plan which will bring about this result forcibly.

Education towards thrift is, of course, the better way, but it takes too long.

Can Thrift Be Cultivated?

Might not a plan of putting the workingman's funds from profit-sharing automatically into a trust fund, be worth considering? That is, supposing it were made a widely observed rule that the credits due working people from their share of profits, be required to be invested in Government bonds or other high-class securities, to be held in trust by duly appointed trust officers or trust companies or other trustees, income to be paid to the owner regularly, but principal to be held for a period of, say, five years.

The amount thus to be put aside for any one individual might be limited to five hundred dollars, further amounts coming in as profits to be paid over to the owner on the grounds that the savings habit would be then sufficiently cultivated so that the wage-earner could be trusted to continue it himself.

If labor were in control instead of skilled industrial leadership, it cannot be imagined that more efficiency would result. It would decline as in every instance on record, notably Russia, and while prices would mount higher, the business of the country would drift steadily, one after the other, to disaster, under inexperienced and self-seeking labor demagogues and under higher and higher production-costs limiting the output.

The attitude of business from the start has been one of confidence, with no real doubts as to the final outcome of the contest, which is an entering wedge to take over the control of the Government. While there is firm belief that this whole movement throughout the country, which has destruction for its object, will be defeated, there is no disposition to minimize the difficulty and danger of the situation.

Special Country Place Offered

For satisfactory reasons the owner offers his two hundred acres with residence and garage, also two houses and complete sets of farm buildings, in an excellent situation. Many interesting, profitable and enjoyable features. Price fifty-five thousand dollars, no encumbrance. Owner will make appointment to show prospective purchasers over the place.

Address Box 680, Oakville.

Nelson
British Columbia

Block of Buildings and Town Plots for sale. Bargain prices to clear up Estate. Apply Box 9, H.A.S. 77, ELECTRICAL PRESS, 13-16, Fisher St., Holborn, London, W.C. 1.

Manitoba Finance Corporation, Ltd.

OFFERS SUBJECT TO PRIOR SALE

200,000 Preference Shares

Gold Pan Mines, Limited

8% PREFERENCE SHARES, ONE DOLLAR ($1.00) EACH AT PAR NON-ASSESSABLE

These Shares are first charge against the earnings of the Company and will be repaid from the first profits, thus ensuring the return of the investment with interest.

When fully repaid the preference shareholders will then participate in the future profits of the Company on the basis of three parts as against one to the Common Shareholders.

There has already been expended over $100,000 on the Gold Pan properties.

This work has shown up a rich body of ore down to the 265-foot level—the bottom of the main shaft.

The proceds from the sale of this preferred issue is to be used to instal new and more extensive equipment, to carry on further exploration work under ground, and also to erect a mill which is required immediately.

Directors
of Gold Pan Mines, Limited
JAMES H. ASHDOWN, President.
J. H. Ashdown Hardware Co., Ltd.
F. O. FOWLER, Vice-President.
North-West Grain Commission
GORDON C. McTAVISH, Sec.-Treas., Barrister.
E. F. HUTCHINGS
Great West Saddlery Co., Ltd.,
S. HART GREEN, Barrister.
S. SCOTT.

The Directors of Gold Pan

Will closely supervise the administration of the Company, thereby giving assurance that your money as well as their own is wisely spent and in this way eliminating to a minimum the risk usually associated with mining ventures without affecting the speculative value.

In our opinion, as well as that of others who are capable of judging, mining of precious metals in Manitoba will within a short time surpass in value that of any other industry.

Cut out attached Application Blank, fill in and mail it to
Manitoba Finance Corporation, Limited
410-11 Electric Railway Chambers, WINNIPEG
Exclusive Sales Agents

IN ORDER TO INSURE SECURING ALLOTMENT WIRE ORDERS AT OUR EXPENSE

Make All Remittances Payable to Union Trust Company Limited

GOLD PAN MINES, LIMITED
Application for 8 Per Cent. Preferred Shares
Fully Paid and Non-Assessable.

To the Directors of
GOLD PAN MINES LIMITED

Gentlemen:—I hereby make application for .... Shares of the Preferred Stock of Gold Pan Mines Limited, and herewith enclose the sum of .... Dollars ($...........), being payment in full at price of ($1.00) One Dollar per share.

In the event of an over subscription of this issue I agree to accept such part of the stock applied for as may be allotted to me by the Directors. I hereby authorize you to register me as the holder of said shares.

Mail this to
MANITOBA FINANCE CORP. LTD.
410-11 Electric Railway Chambers.
Winnipeg, Man.

Signature.......................................
Name in full.......................................
Occupation.......................................
Date ....
Address.......................................

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

President - - - - JOHN BAYNE MACLEAN.
Manager - - - - GORDON RUTLEDGE.
Editor - - - - - - J. W. TYSON.

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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TORONTO, NOVEMBER 1, 1919

EXPERIMENTS IN STATE SOCIALISM

STATE socialism as conducted in North Dakota by the Farmers' Nonpartisan League, which captured the State politically after the outbreak of the war, has borne fruit in a wrecked bank. There have been startling revelations following the closing of the Scandinavian Bank of Fargo. The president and cashier are under arrest, charged with violating the banking laws of the State for making excessive loans to individuals and companies and for carrying large amounts of past-due paper and making false statements to the banking department.

Boss Townley, head of the movement, has thus far escaped the law, but he is regarded as being largely responsible. It is alleged that he used a score or more of the employees of the Nonpartisan League to sign notes of $7,000 or $8,000 each when they had no financial responsibility for loans of this size. Besides the nearly $150,000 of loans of this class, there is a list of similar loans made to the managers of the Consumers' United Stores Company totaling $170,000. It does not appear that the signers of these various notes, mostly for $7,500 each, possessed financial responsibility sufficient to command such loans.

With the farmers' movement gaining such force in Canada, it is to be hoped that this experiment in Dakota may be a warning against going too far into the realm of private enterprise. Townley set up an ambitious programme of socialism, extending to elevators and warehouses, grist mills, buying and selling of merchandise, house-building, banking and other activities supposed to be controlled by the "capitalist." It was all beautiful in theory—a tree fair in blossom, but bearing bitter fruit.

So far in Canada the business ventures of the farmers' organizations have followed pretty closely along the conservative lines of private enterprise, but there is a danger that in the enthusiasm of such successes as the Ontario elections and the Federal by-elections, there may be born a desire to extend beyond the stage where efficient management can be looked for. The danger of socialism is that it usually results in the concentration of power into a few hands where it is abused to the detriment of the great majority.

SIR ADAM STAYS IN THE SADDLE

THE uncertainty in the Hydro situation following the defeat of the Hearst Government and of the two members of the Ontario Commission—Sir Adam Beck and Hon. I. B. Lucas—has cleared to some extent following the meeting of municipal representatives at Toronto. Sir Adam has been endorsed for a further term as chairman of the commission. That was to be expected. It was good politics for him to appear not too eager—his position is made all the stronger, because of the evident pressure upon him—but the fact remains that through the Municipalities' Union he has practically accomplished that which he failed to do in the London election. He has overcome the handicap of a defeat at the polls.

The resolution of the municipalities for a three-man commission, Sir Adam and representatives of the municipalities and the Government, indicates that the influence of that body will be for a return to conditions practically as they were. The municipal representative will be one friendly to the Beck policy and the natural development will be a situation in which the chairman will have almost absolute control.

THE FINANCIAL POST had hoped at this time the commission might be enlarged to take in engineering and financial experts who would be able to insure the conduct of the whole enterprise on a business-like basis and protect the many millions of the money of the municipalities and the Province directly involved or guaranteed. If there is not such a re-organization, then we believe there should be an inquiry by a commission appointed by the Lieutenant Governor or the Governor-General to decide whether the various vast enterprises are on a sound basis.

Many millions have been expended on the Hydro undertakings with the guarantee of the Province and under legislation of the Provincial Government. Many millions more are involved by projects now planned. Sir Adam himself runs the total to close to $300,000,000, as follows:

Present investment, municipalities and Government	$96,000,000
Expenditure in next five years, including $30,000,000 Chippawa project	54,000,000
Buying out opposition, nearly	48,000,000
St. Lawrence development	30,000,000
	$228,000,000
Hydro radials (not included by Sir Adam) say ...	52,000,000
	$280,000,000

That a new Government composed of such conservative men as now dominate the Provincial House will plunge into this programme without substantial assurances as to the soundness of the projects is something more than we believe even Sir Adam can hope for. In fact, there is assurance to the contrary in a statement already made by the U. F. O. Leader. Mr. Drury is quoted as saying: "WHILE WE COULD NOT ALLOW THE FINANCIAL STRENGTH OF THE PROVINCE TO BE ABSORBED BY HYDRO ENTERPRISES, WE WILL APPROACH EVERY PROPOSAL ON A BUSINESS BASIS AND ANY THAT PROMISE A FAIR RETURN WILL HAVE OUR WARMEST SUPPORT."

With a present investment of $96,000,000 and a potential liability of $280,000,000, and more, every possible safeguard should be taken. In these great undertakings there is never any great difficulty in the constructive stage. New funds are always forthcoming and current deficits may be charged against capital. It is when all the money is invested and it comes to a showdown as to whether or not the enterprise is profitable that the real test comes. The fact that under public ownership there are many opportunities to hide discrepancies in indirect charges upon the people will not shift that burden which is the inevitable consequence of inefficiency in administration or weakness in conception. We can think of no other enterprise of any like magnitude dependent upon one man to the extent of the Hydro as indicated by the speakers before the meeting of the Municipalities' Union on Wednesday.

FACING THE FACTS OF PUBLIC OWNERSHIP

THE argument has been advanced that public ownership on a small scale is safe; that where the enterprise can be closely watched by the representatives of the people efficiency can be maintained. This has been regarded as offsetting the failures in the operation of rails and telegraphs and other national services in various parts of the world.

Evidence accumulates, however, that many so-called municipal successes have been merely so on paper and that eventually the realities must be faced. Guelph and Port Arthur have been two Canadian cities which have recently learned the truth about their enterprises after years of unsound financing. The Toronto municipal abattoir is another proposition in the same class.

One of the great weaknesses of public ownership is that politicians hate to give the people unpleasant facts—private enterprise must show results or the shareholders will soon know the reason why. American civic authorities, however, seem to have more courage than those in Canada in judging public ownership results by business standards. The following item from the Albany *Evening Journal* tells what happened in the village of Attica, N.Y., after two years' experience in operating a lighting plant:

> The public service commission to-day made an order approving the plans of the village of Attica to sell its municipal electric lighting plant to the Genesee Light and Power Company for $12,500, the price the village paid for the plant two years ago. The village was convinced after two years' trial that municipal ownership of the plant was not a success as it failed to earn operating expenses. The Genesee Company will take over the plant and will furnish public and private lighting service in Attica. Village President French informed the commission that the village had tried hard to run the plant, but found that it would be a good proposition for the village to sell it.

EDITORIAL NOTES

IF THE farmers' political movement continues to gain strength, the Liberal-Conservative party may become a fact, rather than a name.

* * *

THE picture of Agriculture and Labor working together to reduce the cost of living may be drawn for optimists but the average man will regard it as one of those "impossible" productions of political artists of the extreme school.

* * *

HON. DR. REID announces that instead of costing $13,000,000 the people of Canada have invested $260,000,000 in the Grand Trunk Pacific. This is something which should be remembered when big public projects are under consideration.

* * * *

IN meeting arguments as to inefficiency under public ownership the Toronto *Globe* talks of the "public service of the future." This is an indirect admission of present evils and seems to express a hope rather than a conviction as to what may lie ahead.

* * *

ACCORDING to the Toronto *Star*, "the editor of THE FINANCIAL POST became so excited at Sir Adam Beck's defeat at the polls in London, that he spilt his hand all over the table for everyone to see." Our cards have been on the table all the time. If the editor of the *Star* did not see them before he might have fulfilled the function of a newspaper man and informed his readers as to what was on them.

* * *

THE Toronto *Star* is peeved because there are so many people who take objection to public ownership schemes on different grounds without actually opposing the principle. In view of the record of such ventures in practically every country of the world, this attitude is much more logical and sensible than that of those who give blind support to every proposition put forward in the name of public ownership.

* * *

ATTORNEY-GENERAL Palmer of the United States, asserts that 99 men out of 100 in both the wholesale and the retail business are taking only a fair profit and states that it is up to the honest men in business to enforce laws against profiteering, where they are violated by the dishonest minority. THE FINANCIAL POST has frequently urged upon the Manufacturers' Association the necessity for not only discouraging combines, but for taking action to break up any which may now exist.

* * *

THE Saskatoon *Star*, while charging THE FINANCIAL POST with a tendency to emphasize public ownership failures, gives us credit for a willingness to present the facts in all cases. In quoting an item from a recent issue, the *Star* says:

> While THE FINANCIAL POST is ready at all times to pounce upon the weak brethren among the public-ownership clan it must be given credit for honesty in praising public-ownership management when the results show efficiency and successful operation.

A CANADIAN BOY HEADS WOOLWORTH ORGANIZATION

Hubert T. Parson Was Born a Few Steps From Yonge St., Toronto—His Career a Romance of Big Business in Small Things

The biggest business in small things in the world is the Woolworth Company. It will hardly need reference to the statistics in the accompanying article to convince the average reader of this. And the new head of this great retailing organization—the successor of the founder—Hubert T. Parson, was born forty-seven years ago in Toronto. When twenty years of age, he drifted to the United States and became bookkeeper, store porter, and general man of all purposes for Mr. Woolworth, who was then conducting business in a small way among the lines which have made one of the biggest business institutions in the world—and the Canadian boy has developed even as the business has done.

A few steps off Yonge Street, in Toronto—number 12 St. Albans Street—stands the house where the Woolworth President was born. Recently, Ralph Connable, who heads the company's Canadian interests, had a photograph taken of it and sent to Mr. Parson. He commented in reply that the place seemed smaller than when he was a kid, but that it had its familiar features.

Mr. Connable describes Mr. Parson as a great organizer and administrator with a keen knowledge of business psychology. He believes, too, that he has a "soft spot" for the Canadian end of the organization, although thus far, he has not been a visitor to Toronto in Mr. Connable's regime despite that there has been no lack of invitations.

Of the rise of Mr. Parson and the development of the Woolworth stores, B. C. Forbes tells in the *American* Magazine, and it is doubtful if a more interesting business romance has ever been written. It follows:

> Energetic young man wants situation as bookkeeper. Can do general clerical work. Willing to start at $12 a week.

That advertisement appeared in the New York *Tribune* in the days when a "Want Ad." cost only five cents.

To-day the "energetic young man," still comparatively young, occupies the finest business office in the world, in the highest building in the world, president of the largest retail business in the world, serving the greatest number of customers of any concern in the world, and employing more salespeople than any other merchant in the world. At this moment people are swarming into the stores at the rate of over one thousand million a year, or ten times the total number of men, women and children in America. They are making purchases at the rate of two thousand million a year. Their average purchase is thirteen cents.

Controls 1,060 Stores

The number of stores controlled and watched over by the ex-bookkeper is 1,060, a total never approached by any other concern. You cannot visit any sizable town in any state of the Union without finding one of these stores; there is at least one in every town of eight thousand or more population. Nor can you travel any distance in Great Britain without running across one.

Their sales? Last year the three million individuals who daily patronized these stores bought 90,000,000 pounds of candy, enough to fill a freight train twenty-four miles long; 20,000,000 pieces of enamelware, a full load for a train seven and a half miles long; 50,000,000 pairs of hosiery, equal to two and a half pairs for every family in the United States; 42,000,000 boxes of safety matches, enough to build a monument 1,325 miles high if placed on top of each other, or, if laid end to end, almost enough to span the Atlantic; 20,000,000 sheets of music, sufficient to give a goodly supply to every piano in America; 54,000,000 handkerchiefs, equivalent to almost three for every household in the whole country; 1,714,000 nursing bottles, or about one for every baby born last year in America; 5,000,000 phonograph records, enough, it would seem, to keep every phonograph in the land going merrily every night of the year; 12,000,000 pounds of salted peanuts, more than any freight train ever attempted to move—the train would be three miles in length; 24,000,000 sticks of chewing gum, enough, surely, to keep every devotee of the habit busily employed from January to December; 6,250,000 neckties for men 5,000,000 papers of hairpins for women 9,000,000 toys for children, and 15,000,000 cakes of soap for families; 5,000,000 papers of pins, enough to sink a ship; 9,000,000 yards of curtain material, sufficient to girdle Mother Earth four and a half times.

Carry 7,000 Articles

These are the sales of only a few of the seven thousand articles carried by each store.

The profits? Last year they exceeded seven million dollars, and this year will be much larger. In former years they were big enough to enable the founder of the stores to erect the highest building in the world at a cost, out of his own pocket, of $14,000,000.

Yet no article (except in certain Western territory and Canada) is sold for more than ten cents, and most of them are sold for five cents.

The man at the head of this mammoth merchandising enterprise, the ex-bookkeeper, is Hubert T. Parson. Last June he was selected, from all the thirty-five thousand employees, to succeed the late Frank W. Woolworth as president of the F. W. Woolworth Company, pioneers in the "five and ten cent store" business.

Why Was He Chasen

Why was this ex-bookkeeper chosen as head of the most colossal retail business in the world?

Because he was unanimously adjudged, both by Mr. Woolworth and the hard-headed board of directors, the one man in all America best fitted for the job.

I asked a high-up Woolworth executive to define in a sentence or two Mr. Parson's most conspicuous qualifications and characteristics. He reflected for a little and then replied:

"Parson knows more about the five and ten cent business than any other man living. He is probably without a peer as an organizer. He is a master of system. He has devised systems of bookkeeping and record-keeping that enable him to see at a glance what every store in every locality is doing. His forms and schedules show him where there are undue leakages or waste or losses or poor management. He has an uncanny memory; he carries in his mind a complete picture of what is going on every day in our thousand stores, and can quote almost any figure or fact pertaining to the business without consulting the records.

"Yet, combined with this mastery of detail, he has as much foresight as Mr. Woolworth had. It was his amazing grasp of detail, his wonderful memory, and his rare foresight that led Mr. Woolworth to make him his right-hand man as vice-president and general manager. He is now one of the administrators of the Woolworth estate.

"No man in the oorganization works harder than Parson. Mr. Woolworth used to say that in the early days of the business Parson worked so late that on his way home he met himself coming back to work in the morning. Also, and perhaps most important of all, Parson has in an extraordinary degree what, for want of a better term, we call judgment—a combination of common sense, vision and insight born of his enthusiastic devotion to the business, his mature experience."

Then he added, "The only thing I might say by way of criticism is that he has been too busy attending to business to learn how to be a good mixer. He's not strong on superficial personality. But he can deliver the goods every time."

Has Learned Much

The man who guides the destinies of a concern which caters to the wants and the whims of a thousand million customers a year naturally has learned something about the make-up of the human species. And let it be here said that Mr. Parson has been the active head of Woolworth's for the last three years, during its period of most rapid growth and success, as Mr. Woolworth's health during that time had been such that he elected to leave most of the daily burden to his ablest aid, in whose ability he had unlimited confidence.

Yet a long talk with Mr. Parson made it clear that the serving of a billion customers is not much more ticklish than serving a hundred or a thousand, once you grasp a few fundamental principles common to all human nature.

"Mr. Woolworth," said Mr. Parson, "once gave the keynote of merchandising success in these two sentences: 'Human nature is the same the world over. Liking to buy something for a small sum that you must pay more for elsewhere is not a matter of climate or language.' For instance, forty-five thousand people visited our Fifth Avenue store in New York on the opening day; and it is already the most successful of all our thousand stores."

Had the Same Idea

Long before Henry Ford appeared on the horizon, Frank W. Woolworth began applying the idea which made them both the foremost figures in their respective lines. Woolworth was to retail merchandising what Ford later became to automobile making and selling. Woolworth saw that a fortune could be made out of nickel and dime sales if enough sales could be made; he realized that the way to make enough sales was to cut down the unit of profit to a fraction of a cent per sale; and he also recognized that the way to do this profitably was to create a colossal machine which would function with a maximum of efficiency and economy. Woolworth's average profit per sale is half a cent.

Mr. Woolworth once told me that the turning point in his career did not come until he learned, at the expense of a breakdown that almost cost him his life, that there were things other people could do as well as he could himself. He added:

"I then learned to entrust duties to other people. So long as I was obsessed with the idea that I must attend personally to everything, large-scale success was impossible. A man must select able lieutenants or associates and give them power and responsibility."

It was just before this that young Parson became associated with Woolworth. The association came about in a funny way.

Among those who replied to the Parson Want Ad. was "F. W. Woolworth, 280 Broadway, New York City." With Parson, salary was secondary to opportunity. Born in Toronto, Canada, in 1872, his father, Henry E. Parson, was at one time called "The Oil King of Canada," but fires twice destroyed his properties at Petrolia, and oil was struck at Oil City, Pennsylvania, causing a collapse in the price of oil to twenty-five cents a barrel, which shattered his fortune, causing him to move to Watertown, New York, where Hubert lived until he was seven. The family then moved to Brooklyn. On graduating from high school, in 1889, the lad immediately took the first job he found, as office boy in the Atlantic Chemical Works, at four dollars a week. When only nineteen, he was invited, although he was without capital, to become partner in a chicory importing business, and everything was progressing smoothly until the McKinley tariff put raw chicory on the free list and thus killed the enterprise.

Was Ambitious

"I was now about twenty and felt that it was time to get into something really worth while, something with a promising future," said Mr Parson. "I started an advertising campaign, naming only twelve dollars as the salary I wanted, though I had been making much more than that. When I called on F. W. Woolworth he

Continued on page 15.

PERSONALS

B. C. ALEXANDER, London, Eng., manager of the Prudential Trust Company, of Montreal, has completed a tour of Canada embracing all the important points as far west as Victoria. Mr. Alexander has been with his firm for fifteen years, but states that not until now did he fully realize the immensity of the country. In fact, he thinks, the weakness on the part of most British firms seeking to do business in Canada has been their failure to appreciate the geographical conditions here.

W. M. O'CONNOR, who has for some time been treasurer of the National Trust Company, has been appointed estates manager in succession to the late George H. D. Lee. Mr. O'Connor, who entered the service of the Trust Company in 1899, has been identified with the estates branch of the company's work for a great number of years, and has practically grown up in that branch of the service. He is well known in trust company and financial circles.

BRIG.-GEN. V. W. ODLUM, one of the many distinguished officers Western Canada contributed to Canada's overseas forces, has been appointed joint general manager with E. B. McDermid, of the Royal Financial Corporation, Ltd., of Vancouver, and has been elected to a seat on the board. This company is planning a further extension of its bond-dealing in the Pacific Coast province, and will engage in colonization work and land settlement. Brig.-Gen. Odlum is also acting as Chairman for his province in the Victory Loan campaign.

PAUL F. PAYAN, who died in St. Hyacinthe this week was interested in power projects in Quebec. Mr. Payan was born in Mens, France, nearly 80 years ago, and was of Huguenot descent. He came to Canada at the age of 14 where he learned the tannery business at Granby, and nearly fifty years ago founded the firm of Duclos & Payan, of St. Hyacinthe. He was president of the St. Hyacinthe Electric Co., and later interested in the Southern Canada Power Co. He always took a deep interest in municipal affairs, and was elected to the mayoralty in 1910, and was re-elected until 1914, when he resigned.

GEORGE S. GIBBONS, who died in London on Saturday last, was a son of the late Sir George C. Gibbon, whose death occurred in Montreal last year. It is thought that Mr. Gibbon's death was due largely to distress over the sudden death of his distinguished father. Mr. Gibbons was a member of the law firm of Gibbons, Harper and Gibbons, of London, Ontario, and was interested in a number of Western Ontario financial institutions. He was thirty-eight years old, and in 1917, unsuccessfully contested the local seat in the Dominion Election of 1917, running as a Liberal with Labor endorsation. Following the death of his father, Mr. Gibbons was elected president of the London and Western Trusts Company, a post which Sir George had filled since the company's inception.

J. L. ENGLEHART, chairman of the Temiskaming and Northern Ontario Railway has resigned on account of ill-health. Mr. Englehart's real interests have been in the exploitation of petroleum, and his fourteen years work with the T. & N. O. was more in the nature of a hobby. He made it a successful hobby, however, and knew every detail of the operations of the road, which is owned by the Ontario Government. Mr. Englehart was a vice-president of the Imperial Oil Company, Ltd., president of the Crown Savings and Trust Company, of Petrolia, vice-president of the London and Western Trusts Co., and a director of the Bank of Toronto. He was born in Cleveland, Ohio, on November 2, 1847, and was engaged in commercial life in the United States until 1870, when he came to Canada. He established oil works at London and refined and marketed oil there for many years, opening a branch office in New York. He removed to Petrolia, where he was established when he was appointed vice-president of the Imperial Oil Company in 1881.

WILLIAM HOWARD TAFT has, in the opinion of B. C. Forbes, been a remarkable "come-back" in public life. He says: "His popularity unquestionably is greater to-day than it was while he occupied the White House. He took his defeat so smilingly. He has acted so patriotically and has spurned partisanship so manfully all through the war that the public have come to admire and even love him. He has put principles first and politics second. He did not hesitate to mount the same platform as President Wilson when he believed the occasion demanded unity of action, nor has he felt compelled to tear the Peace Treaty to tatters simply because it was sponsored by a Democratic president. Looking around for a great national figure enjoying the confidence of the American public, a certain organization recently approached Mr. Taft with a view of having him accept a highly responsible position. Mr. Taft, however, did not feel disposed to shoulder the burden. But, like the rest of us, he was curious to know what his services were valued at. He was told that the position would pay at least $50,000 a year. The genial ex-president expressed no little satisfaction at knowing that anyone regarded him as worth so large a figure. Mr. Taft is not a worshipper of money. He rates public services as more worthwhile than anything else he could accomplish. Incidentally, when possibilities for 1920 are being discussed, it is not now uncommon to hear Mr. Taft's name mentioned.'"

SOLOMON SCHINASI died a little while ago in New York and nobody noticed it. Yet he left $15,000,000, as was shown when his will was entered for probate, and all of it was made out of cigarettes. Mr. Schinasi and his brother came from Turkey a few years ago with about $3,000. They hired a little store on Broad street, fronting the curb market, and while one of them sat in the window Turkwise, with legs crossed and making cigarettes, the other 'tended store. The brokers on the curb liked the cigarettes and the Schinasis prospered They invested their money in real estat and branched out in their cigarette business as well. A few years ago they sold out to a large corporation for a vast sum.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

PULP AND PAPER STOCKS

———, London, Ont.—In your last issue of the FINANCIAL POST I note that you think very favorably of investors buying stocks in pulp and paper companies. Have never invested in any industrial stocks, but believe this is an opportune time to buy reliable stocks, paying a regular dividend and that would be almost sure to increase in value in the course of a few years. I would leave these stocks as security with my bank for short-time loans in my business. Have at present $5,000 of 1927 and 1933 war loans, so would you advise buying some gilt edge stocks or invest in more war loans? I am carrying about $15,000 life insurance, some of which is paid up, and four or five $1,000 twenty pay life policies that are due in five or six years, and on which I could borrow at about 6% if necessary.

So far as a gilt edge investment is concerned we can imagine nothing better than the 5½ per cent. Government Victory Bonds. From the point of view of an increased value it might be worth while changing 1927 for 1933 bonds, as we feel that in the next few months the latter, at least, will show a fair advance over present prices. As to hold, that is the tax exempt bonds or the new issues as investments that to which it would be advisable for you would depend on your income position. If your income is such as to make the returns from the new bonds practical to any great extent it would pay you from an investment standpoint to hold the Victory Bonds that are exempted from taxation. Borrowing on life insurance to invest in any line of security would seem to us to be an unwise principle. The only exception we might make would be where the man might borrow on his life insurance to invest in his own business, where he was reasonably sure through his own control of the money not being lost, but on the other hand increasing with the growth of the business.

So far as pulp and paper stocks are concerned, we have firm confidence in them, particularly those that are connected with newsprint mills. So far as we can judge of the future the price of newsprint will steadily advance as the timber limits, the raw supplies, for the mills, become more scarce in other countries and less accessible in our own country. More and more Canada, we feel, will be called upon to supply the newsprint needs of the United States and a large number of other countries.

So far as individual companies are concerned, we feel that Price Brothers, has probably the most value behind it, with Abitibi next, Laurentide probably third, ranking close with Abitibi and Spanish River probably the fourth. Brompton Pulp & Paper Company, we feel also a safe investment, and one that will increase steadily in value. The last three mentioned are lower priced stocks, while the first are running far above 200.

BROMPTON, SPANISH AND WAYAGAMACK

J.E.D., Winnipeg.—Could you inform me regarding the common stock of Brompton Pulp & Paper Company? Would you consider it a good buy at the present market price, 82, for a fairly long holding, say, three to six months, for speculative purposes?

Re Spanish River and Wayagamack: any possibilities of dividend being paid this year?

In regard to Brompton Paper & Company. It appears to be good value at the present market price running around 80 to 81. There is an article in the last week's issue of THE FINANCIAL POST, which you would not have seen at the time that you wrote this letter, and which we are forwarding to you in case you have overlooked it, which brings up a good many points of interest and value to you in deciding with reference to invest in this Brompton stock. We do not make a practice of answering a question as to the value of the stock for speculative purpposes, preferring to treat it as an investment, but from this point of view we believe we can recommend Brompton stock, for reasons which are mentioned in last week's issue.

You ask about Spanish River and Wayagamack, and whether they are likely to pay a dividend this year. So far as we can learn, Wayagamack dividend is not likely to be announced this year, and the dividend on Spanish River cannot be paid for the simple reason that the company is tied up until next spring in connection with arrears on note interest and the general financial reorganization in connection with this, which was announced a few months ago. During the spring it is expected that the company will issue preferred stock additional, covering the arrears on the preferred that will be due up till that time, namely about 38½ per cent. In addition there is the voucher covering the 7 per cent. arrears on the stock from the 1st of July, 1913 to the 1st of July, 1914, which is now selling around $5.25. It is not known whether this will be paid in cash or by preferred stock. The regular dividends of 7 per cent. on the preferred are likely to be started at the same time, but it is hardly likely that a dividend can be paid on the common stock for some time to come. This may be earlier, however, than is generally imagined possible, for the company's output of newsprint is now the largest in Canada and for all of this it will have an assured market.

C. P. R. AND STEAMERS

G.E., Wilkie.—I would appreciate your advice on the following. Do you consider C.P.R. at about 150, and Canada Steamship Lines preferred at about 85, a good investment? Are dividends paid regularly, and how often during a year? Assuming that the above quotations are New York, can they be purchased at the same price in Canada?

Our answer in both cases would be "yes," with more emphasis on the former than the latter. The C P. R., with the earnings that will come to it in the next few years through the development of the country and the huge land values that it possesses in Western Canada, we consider one of the safest investments in the market today. At the current price of 150 and paying 10 per cent., the stock gives a yield of over 6½ per cent., which considering the intrinsic value behind it, and a possibility for increased values when normal conditions return, must be considered a very fair yield.

As far as Canada Steamships preferred is concerned, there is a surplus of about three years' dividends on the preferred, and the company is steadily increasing its hold on the marine field, reaching out for new freight routes and ensuring a continuation of the big profits that it met with the last couple of years, and we believe making it certain that these will not only not decline, as many expected, but will show a considerable and steady increase. The preferred stock of "Steamers" has never stood very high in the stock market but there is a feeling that it should be higher than it is. Several large blocks of stock had been hanging over the market for some years past, but most of these we understand have been distributed and the technical position of the stock is much better than it was.

You ask whether if C. P. R. is selling in New York at about 150, it can be purchased at the same price in Canada. In order to get the corresponding price for the stock in Canada you would have to make an allowance for exchange, and add this to the New York price. For instance, if exchange is at 4 per cent, and the stock is selling at 100 you would have to add about 4 points on the Canadian price. In the case of C. P. R., it would make a difference of about 6 points. If the exchange dropped to 3 per cent. C. P. R. would have to have 4½ points added to it at 150. In buying C. P. R., however, we would suggest that you buy it on the New York exchange, through any Canadian broker, as you can find a much readier market there for your stock than in Canada. There are very few sales in Canada on the Canadian exchange of C. P. R. stock, and if you wanted to sell out on the Canadian exchange you might have to take a smaller price than you should for your stock. There would be one other way of doing this: by selling your stock in New York and having the script transferred from Canada for delivery in New York. This would allow you the benefit of the exchange also.

SOME INDUSTRIALS

Enquirer, Windsor.—Will you kindly let me have your opinion on: 1. Consumers' Gas. Is this in danger? 2. Sawyer-Massey. Will this company be able to pay five years' arrearages on preferred? 3. Nova Scotia Steel and Coal debentures 6%. I bought this in 1916 at 96 and it has never been quoted above 92 since. What is the cause? 4. Riordon Pulp and Paper bonds. Are these sound? I bought at 48½-97 and seldom see any quotations.

The Consumers Gas Company of Toronto can be regarded with every reasonable confidence from the investor's standpoint. The company is in fact in partnership with the city, and dividends are practically guaranteed because of an arrangement which permits of increases in charges to the consumer sufficient to allow a substantial margin of profit. The annual statement will be reviewed in the current issue of the FINANCIAL POST.

The fact that the price of the preferred stock of the Sawyer-Massey Co. has improved from 30 in April to around 60 at present, should inspire some confidence in the outlook for that company. This concern suffered severely under war conditions, particularly the regulation allowing the free importation of American tractors. The last annual statement, while in itself a depressing document, was analyzed as showing that the company had probably experienced the worst and would commence to make progress. This belief has been justified in the action of the market since that time.

Regarding Nova Scotia Steel and Coal debentures, while the steel industry has of course been unsettled since the **end of the war,** we are in since the end of the war, we are inclined to believe that the decline in the market indicated by your figures is to a large extent accounted for by the general trend of investment values. We note that the high quotation in 1917 was 92 and the low 88, and the high in 1918 90¼, and the low 84, so that there has been considerable fluctuation.

AN OPEN LETTER to the
Directors and Officers of

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of British Firms

We who shared with you and yours the anxious hours in France and Flanders, Italy and Palestine—and who joined you in lighter vein on many a memorable occasion—feel diffidence in suggesting that you should buy Victory Bonds.

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Yet those of her men living and doing business here, will render service to Great Britain by purchasing Canada's Victory Bonds.

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Your reading has told you of the economic and national need for the Loan.

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"The King Can Do No Wrong"

The following is reproduced from the Toronto "Sunday World." The heading was, "Another Drive Against Hydro and Beck." There are no points to which intelligent answer can be made. The soundness of our arguments is not questioned and the facts presented are not contested. Our "crime" appears to be in suggesting that the pepole should be given information as to what is being done with their money.

The real news of yesterday was of the big new drive against public ownership, with the Ontario Hydro as the centre of attack, the farmers to be coaxed into the capitalist fold, American financial forces being held in readiness as allies, and the Canadian Senate as the hope of the interests.

THE FINANCIAL POST of Toronto plays again the part of bugle-boy to the army of Financial Privilege. In two articles it speaks seductively to the United Farmers of Ontario, who are told that they will make a good government because "the farmer is essentially a believer in property rights, his views are capitalistic." "That the U. F. O. will be able to form a lasting alliance with Labor is something more than students of politics and economics are willing to accept. Their interests are divergent."

With the skill of an old campaigner against public rights THE FINANCIAL POST conjures distrust of the Hydro from the United States, which must be the main source of Canadian borrowings for some years to come.

> "The matter of provincial and municipal credit in Ontario in relation to the Hydro was considered before the Investment Bankers' Association of America at St. Louis, when it was emphasized that 'the effect of both the legislation of the Province of Ontario and the operations of the Hydro-Electric Commission on the securities of the province and municipalities and of private companies must be carefully considered by American bankers representing or contemplating the purchase of such securities.'
>
> "THE FINANCIAL POST understands that the sub-committee's repor, upon which this statement was based, which was not made public, as will be noted from the report of the proceedings in this issue, was of such a nature that a decision has not yet been reached as to the advisability of publicity."

Could there be a cleverer raising of clouds of suspicion of the soundness of a great and successful public enterprise?—clouds which are intended to lead the farmer legislators to be governed by their capitalistic temperament.

The object of this invitation to the capitalistic parlor is made plain in the article "A New Era for the Hydro." The new era is a hostile investigation, in which Sir Adam Beck is morally to be put in the dock. The defeat of the Hearst Government offers a special occasion for the investigation, because Sir Adam and the Attorney-General, being the only members of the Hydro Commission, both having been in the Government, and both being defeated, why, what more natural than an investigation of the Hydro? Read how the cool proposition is made:

> "We have time and again urged the necessity for the appointment of a commission of independent financiers and engineers to go into the whole matter, and we urge it again now with added emphasis for the benefit of the new Government and to safeguard the interests of the municipalities whose credit is involved.
>
> "Now is the time to clear up the oft-repeated charges that Hydro finances are unsound; that sinking fund requirements are not being lived up to; that the Chippawa project is an engineering impossibility from the standpoint of cheap marketable power; that the Clarkson report is 'not worth last year's bird-nest'; that the whole enterprise has been carried on by one man of questionable technical ability," etc., etc.

Another item of news about the drive against the Hydro is in another blast of the bugle-boy. In the banking section a big article headed "Should Country managers join farmers' bodies?" answers it in the affirmative, because "branch managers should do everything possible to win friends." z

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$25,000	Grand Trunk Pacific .... Guaranteed by Dominion of Canada.	3%	1962	5½%
$25,000	Canadian North Western Ry..... Guaranteed by Province of Alberta.	4½%	1942	6⅛%
$50,000	Province of Alberta	4%	1922	6¼%
$30,500	City of Lethbridge	4½%	1939	6½%
$10,000	City of Edmonton School	5%	1953	6½%

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NEWS OF THE BOND MARKET

FINAL WAR LOAN CAMPAIGN PILES UP NEW RECORDS

Many Big Institutions Increase Their Last Year's Subscriptions

AMERICANS SUBSCRIBE

One-Third of Nominal Objective is Reached in First Four Days—Insurance Companies and Cities Take Bonds

Prophecies from the pessimists that an after-the-war Victory Loan could not hope to be as successful as one floated under war conditions, with patriotic fervor at its full height, have not been borne out in the present Victory Loan campaign. The first week of the campaign for raising $300,000,000—and as much more as the people can spare—in Canada's sixth and last war loan has been the most successful of any campaign yet. From the first day, new records have been piled up and one-third of the nominal total, which is only one-fifth, however, of the minimum amount expected, was raised in the first four days.

The loan will not fall short of its objective this year, because of the failure of the large corporations to support it. In few cases have the larger industrial and financial institutions failed to increase their subscriptions over last year's amount and many have doubled their subscriptions. The New York Life Insurance Company, which last year took $1,000,000, subscribed to $5,000,000 of this year's loan. The C.P.R. raised its subscription from $17,000,000 in 1918 to $20,000,000 this year. Among other large institutions that increased the amounts of their initial subscriptions were the Manufacturers Life, which, in 1918, took $2,000,000, and this year $5,000,000. Confederation Life, $1,250,000 to $4,000,000, and many more.

Maple Leaf Milling Company bought $1,000,000 of the new issue. Guelph and Ontario Investment Company took $100,000. Huron and Erie Mortgage Company, $3,500,000; Montreal Locomotive Works, $1,000,000; James Redmond, $400,000; Asbestos Corporation, $250,000; Montreal Trust Company, $200,000; Canada Iron Corporation, $100,000; Hugh Paton and W. G. Ross, $50,000 each; while J. W. McConnell, on the eve of his departure for England, subscribed $100,000. Other large subscriptions were:

Canada Steamship Lines, Montreal, $1,000,000; St. Lawrence Sugar Refineries, Montreal, $400,000; Can. Consolidated Rubber Co., Montreal, $300,000; McDougall & Cowans, Montreal, $200,000; Woods Limited, Ottawa, $300,000; Ahearn & Soper, Ottawa, $100,000; Sir Henry Egan, $100,000; J. A. Fraser, Ottawa, $100,000; Swift & Co., Chicago, $300,000; Fairbanks-Morse Ltd., $250,000; A. G. Spaulding & Bro., New York, $150,000; Greenshields Ltd., Montreal, $250,000; International Harvester Co., Chicago; $300,000; C. W. Band, New York, $100,000; Remington Typewriter Co., New York, $25,000; Mackay Companies, New York, $500,000; Grafton & Co., Dundas, $100,000; Alloway & Champion, Winnipeg, $500,000; National Acme Co., Buffalo, $50,000; T. Eaton Co., $2,000,000; McClary Manufacturing Co., London, $250,000; Waterloo County Loan & Savings Co., $150,000; The Robert Simpson Co., Toronto, $300,000; General Motors, Detroit, $1,000,000; Dominion Life Assurance Co., $750,000.

American Firms Subscribe

American institutions have been quick to see the additional advantage accruing from the exchange rate, which makes the issue price to them practically 96½. Of course, there will be no advantage to be gained by the American investor until New York funds attain to somewhere around par, but when that happy condition of the exchange market arrives, the bonds will yield the American investor about 5.70 per cent., as against 4 to 4¾ per cent. received from Liberty bonds. Moreover, the yield will be net, for the Canadian Government will make no deductions for income tax in paying interest to American holders of Victory bonds.

This favorable situation has been seen in the large subscriptions that have been given to the committee working in United States territory. For the purposes of the present loan the American field has been divided into four districts, each with its objective: New York, $30,000,000; Boston, $5,000,000; central district, $10,000,000, and Chicago district $10,000,000.

The "Wall Street Journal" prophesies the success of the loan and adds:

"Because of the higher rates of interest which they bear and the fact that they were made entirely free of income tax, the Canadian war issues heretofore have afforded to subscribers a better market position as far as prices are concerned than our Liberty Loan issues. The operation of an official stabilizing agency, providing a ready market for sellers, has also been responsible for maintaining par or better for the recent Canadian war issues. One of the issues of 1917, that maturing in 1937, has sold as high as 107¾, while the 1933 bonds of last year's Canadian Victory loan sold as high as 106⅜."

Some U. S. Subscriptions

American subscriptions have been numerous and generous. Some of the larger ones reported, include, in addition to the subscriptions of insurance companies mentioned elsewhere:

American Locomotive Co., $1,000,000; Swift & Co., $300,000; Fairbanks-Morse Co., $250,000; White Star Dominion Line, $100,000; First National Bank, Detroit, $200,000; Canadian Furnace Co., Buffalo, $200,000; Fort Dearborn Trust & Savings Bank, Chicago, $25,000; Northern Trust, Chicago, $50,000; Laidlaw & Co., New York, $100,000; Mechanics and Metals Bank, New York, $100,000; American Exchange National Bank, New York, $100,000.

The income insurance companies receive from their Victory bonds is not taxable, and for that reason they have found the Victory bonds even more attractive than other large corporations and institutions. Some of the large subscriptions from insurance companies have been as follows:

Canada Life, $10,000,000; Sun Life, $10,000,000; Great West Life, $5,000,000; Manufacturers' Life, $5,000,000; Metropolitan Life, $5,000,000; New York Life, $5,000,000; Equitable Life, $1,000,000; Mutual Life, $5,000,000; Confederation Life, $4,000,000; Prudential, $4,000,000; National Life, $400,000.

Cities Buy Bonds

Municipalities are not subject to taxation for their income from the present issue, and for that reason many of them are finding it profitable to market any Victory bonds they hold of previous issues and reinvest the proceeds in the 1919 loan. The city of Saskatoon has realized $455,929.35 from the sale of bonds of the 1927 and 1937 issue. This includes accrued interest amounting to $8,876.85 and a profit, owing to the increase in the market value of the bonds amounting to $17,052. The city will invest $545,000 in the new loan, which includes the proceeds from the sale of former issues and $105,000 at present in the sinking fund. The bonds were sold on October 16, and in order that the city might not lose the interest for fifteen days from that date to November 1, Commissioner Yorath had the proceeds invested temporarily in 5½ per cent. treasury bills, exchangeable into the new bonds on November 1. The interest derived from this arrangement will add another $1,028.43 to the city's income.

Not all cities, however, are marketing their old issues to invest in new loan. Calgary is taking $125,000 of the 1919 issue, in addition to $550,000 already held of previous issues. Ottawa is taking $400,000, and St. Catharines has subscribed three-quarters of a million. The Province of British Columbia bought $789,000 worth of bonds.

Support From Railways

E. W. Beatty, president of the C.P.R., addressed the employees of the company's head office in Montreal, urging them to support the Victory Loan. After recounting the good features of the issue from the standpoint of a small as well as the large investor, Mr. Beatty concluded:

"I can say to you with all candor and with all sincerity of which I am capable that at no time was the need of the support of the people of Canada to Canada's own credit more vital than at the present moment."

The executive heads of the C.N.R. also held an enthusiastic meeting in support of the loan in Toronto. A. J. Mitchell, vice-president, pointed out that each executive head of the lines would be required to see that every employee of his division was personally canvassed.

CONVERSION FEATURE OF BRITISH LOAN

Announcing the terms of the loan of $250,000,000 to the British Government, which they are handling, J. P. Morgan & Company stated:

"The new British loan which will be publicly offered Thursday, and for which advance subscriptions are now being received, is divided into two issues, three-year note dated November 1, 1919, and due November 1, 1922, and a ten-year bond dated November 1, 1919, and due August 1, 1929. Interest on both issues is payable February 1 and August 1 at the rate of 5½ per cent.

"The issue price on the three-year note is to be 98 and interest, yielding about 6¼ per cent., and on the ten-year bonds 96¼ and interest, yielding slightly over 6 per cent. Both principal and interest are to be payable in dollars in the City of New York without deduction for any British taxes, present or future.

Conversion Privilege

"While the interest yield on these bonds and notes is attractive, the feature which will probably most impress the American investing public is the conversion privilege. Both the three-year notes and the ten-year bonds may, at the option of the holder, be converted at par and interest into British National War Bonds, Fourth Series, due February 1, 1929, at par and interest, sterling exchange being figured for the purpose of conversion at the fixed rate of $4.30 to the pound.

TAKE ADVANTAGE OF EXCHANGE SITUATION

An English Argument in Favor of Selling Canadians Payable on This Side

LONDON.—The movement to realize Canadian municipal and provincial securities, having the option of settlement of interest and principal in Canadian currency still attracts attention in financial circles. There has been some question of the course referred to on the grounds that the realization of Canadian securities might injure their prestige, or, at the least, bring about a decline in their market value. Canada takes up this point and argues that Canada is now a willing purchaser of her own issues, in the main, owing to the advantage enjoyed by her investors as a result of the abnormal exchange position, which enables higher prices to be paid for Canadian bonds than would be possible with a normal exchange. For some time past large corporate as well as private holders have been realizing their holdings at the present relatively high quotations for those issues possessing the dual option in the matter of payments, with the object of reinvesting the proceeds in British gilt-edged investments, and so securing the advantage of the high yields obtainable on the latter. Canada continues:

Our security tables offer a concrete instance of the advantages which the rise in the value of the dollar, combined with the option of receiving payments in sterling or exchange, have placed at the disposal of investors. The following table will serve to illustrate the point we wish to emphasize:—

	Issue	Quote	Latest
Alberta, 1922	97	101-3	103¼
" 1924	97½	105-8	106½
	(=£100 3/5)		
Sask., 1923..	96	101-4	103¼
" 1924-23	99	103-6	101

In each case the securities mentioned are now quoted well above their issue prices. Let us assume that an investor holds £1,000 of each ($5,000 in the case of the Alberta 4½ per cent. loan) at the issue prices. His total outlay was approximately £3,920, and he should now be able to realize his total holding for £4,130. He is receiving in interest in sterling about £185. If he were to realize and re-invest the proceeds in 4 per cent. Victory Funding Loan, he would be able to purchase about £5,150 of that security and receive a sum of £206 per annum in interest, with the prospect of an eventual increment of £1,020 in his capital. To those who look to the increase and principal on the four Canadian issues we would repeat what we have already said, viz., that whilst there seems no immediate prospect of any amelioration in the exchange position it is in the highest degree improbable that the dollar will remain at its present abnormal level for any lengthy period, and even by 1922, the date of the first maturity, it may well be back to par, in which case the holder would only receive £4,000 on capital account. For the speculator pure and simple the position may be sufficiently attractive to await events in the hope that he may see the exchange down to under $4, but for the investor the safe course is to accept the present opportunity of realizing his present substantial profit and reinvest the proceeds in either 4 per cent. Funding Loan or 4 per cent. Victory Bonds.

EUROPEAN LOANS

France, Italy and Belgium Likely to Be in U. S. Market

NEW YORK.—There is a feeling in important banking circles that the new $250,000,000 loan to Great Britain is but a forerunner of other large loans to the European nations which have been seeking credits in this country.

While there are no other immediate credits in sight, except the French cities' offering, the terms of which will be announced within a few days, and perhaps a small loan to Belgium some time this winter, it is believed the much discussed Davison plan for extending financial aid to Europe may again be revived.

It is known that Italy is in dire need of help from her Allies. The coal situation in that country is said to be particularly acute, and while England is being looked upon to supply a good share of this commodity, there is a feeling that America and the other nations must step in and lend a helping hand.

Bankers are cautious, if not apprehensive, about extending credits to Germany, notwithstanding the reports being received from that country as to the urgency of speedy financial assistance if she is to be placed in a position where she may again start her industries so that the prompt payments of the indemnities will be assured.

TORONTO HARBOR ISSUE

Sold by Auction in Philadelphia—Some Montreal's Also

A Philadelphia wire to Bongard & Ryerson, Toronto, reported the sale there by auction of $100,000 Toronto Harbor 4½ per cent. bonds, maturing in 1953, and $100,000 City of Montreal bonds bearing 5 per cent. The Toronto bonds sold at 78¼, and Montreal's at 83¾.

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VICTORY LOAN 1919

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—*Sir Henry Drayton*

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CANADIAN GOVERNMENT MUNICIPAL

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IT IS THE DUTY OF EVERY EARNEST CANADIAN NOT ONLY TO INVEST HEAVILY IN VICTORY BONDS, 1919, BUT TO WORK AMONG HIS NEIGHBORS TO MAKE THE LOAN A SUCCESS.

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TOWN OF BRIDGEBURG

Debentures for Sale

SEALED Tenders addressed to the undersigned will be received up to 6 p.m., Nov. 3rd, 1919, for the purchase of $50,000 Debentures bearing interest at 6%, to pay for additions and improvements to the Bridgeburg Public School.

The lowest or any tender not necessarily accepted.

R. A. LAND,
Town Clerk,
Bridgeburg.

Oct. 15, 1919.

RURAL MUNICIPALITY OF SWAN RIVER

TENDERS will be received by the undersigned for the purchase of Fifty Thousand ($50,000.00) Dollars of Debentures of the Rural Municipality of Swan River, being the first issue on authorized Debenture Issue of $108,000.00 under "the Good Roads Act, 1914, and amendments thereto, of the Province of Manitoba."

The Debentures bear Interest at six per cent, per annum, are payable in thirty years from the date of the Debenture in equal annual amounts, made up of the aggregate sum due each year on account of principal and interest, and are guaranteed by the Government of the Province of Manitoba.

Tenders must be marked "Tender for Debentures" and received by the undersigned not later than Noon on Monday the 10th day of November, A.D. 1919.

The highest or any Tender not necessarily accepted.

JOSEPH ARMSTRONG,
Clerk of the Rural Municipality
of Swan River.
Box 153, Swan River, Manitoba, Can.

FIELD OF MUNICIPAL FINANCE

COMMISSION GOVT. AS IT WORKED IN SOUTH VANCOUVER

Relieved of Political Ties, Town Official Solved Many Problems

MUST HAVE POWER

Commissioner Gillespie Tells B.C. Municipal Men How One-Man Rule Helped His City

Commission government has come in for a good deal of discussion in various Canadian municipal circles of late, and whenever there is a meeting of municipal men, commission government in one of its various forms is usually one of the subjects on the programme. The Union of B.C. Municipalities, at its convention heard several talks on the subject, one of the most interesting of which was given by Commissioner F. J. Gillespie of South Vancouver. Mr. Gillespie is the man who was placed in charge of the affairs of that municipality after it had defaulted its bonds, and his experience in rehabilitating a financial insolvent municipality qualifies him to speak on the subject. Mr. Gillespie said in part:

"The commissioner should thoroughly understand his business, and he should also have the courage of his convictions. Given such a commissioner, he is in a much better position to administer the affairs of a municipality on strictly business lines, without fear or favor, than an elected council. Because, once satisfied that a certain course of action is right, the commissioner is at liberty to go ahead and to carry out his policy without being influenced by diversity of opinion, such as characterizes the deliberations of an elected body and which often prevents the carrying out of necessary measures or results in such modifications or compromises that the object in view is defeated.

Improvements Were Taxed

"When I took over the administration of affairs in South Vancouver I made a careful study of the financial situation and I came to the conclusion that it was necessary to broaden the basis of taxation and that there could be no reasonable objection to a tax on improvements to meet the cost of certain departments of public administration.

"For instance, I could see no good reason why improvements should not be taxed to meet the cost of education, street lighting, police and fire protection, the charges for general administration, interest and sinking funds, etc., to be borne by the tax on land.

"There are indications, however, that many ratepayers who at first opposed the improvements tax have since come to realize that it is here to stay, not only in South Vancouver, but that before many years have elapsed it will be universally adopted throughout the province.

"And while it is true that public opinion is beginning to change in regard to the taxation of improvements, I want you to consider for a moment what would have happened in South Vancouver if I had been the reeve instead of a commissioner appointed by the Government.

"I think you will agree that as reeve, presiding over a council elected by a popular vote, my position in regard to putting into force a tax on improvements would have been entirely different. The probability is that any attempt on my part to induce a council to depart from the straight land tax would have met with failure, though the improvement tax has undoubtedly done more than anything else to help South Vancouver toward financial solvency.

Passing Money By-laws

"Reverting to the advantages of a Government appointed commissioner over an elected council, one distinct advantage, though all may not agree with me, is the fact that the commissioner has power to pass money by-laws without a vote of the ratepayers, provided he satisfies the Government that the proposed expenditure is justified.

"The fact that money by-laws are prepared is evidence that the council, elected by the ratepayers to administer the affairs of the district is of opinion that the expenditure is absolutely necessary. The defeat of money by-laws at the polls, therefore, is either in the nature of a public calamity or an indication that the ratepayers have entirely lost confidence in their elected representatives.

"I do not know that I can say much more concerning the advantages of municipal government, by a commissioner, but will conclude with a few facts and figures showing the progress made by South Vancouver since May, 1918, towards her financial re-establishment. And in doing so I wish to acknowledge the cordial co-operation of the bulk of the ratepayers of South Vancouver, who have rallied to my assistance in the most practical way—by payment of their taxes.

Water services in use Jan. 1, 1919	5,959
Do., do., Oct. 1, 1919	7,307
Net gain in 1 year 9 months, water services	1,348
School attendance, Sept., 1917	4,367
Do., Sept., 1918	5,149
Do., Sept., 1919	5,694
Gain in school atendance in 2 yrs. (9 mths.)	1,327

	1917	1918	1919
Taxes, cur.	$318,530	$411,603	$584,932
Do., arrears	180,105	154,229	405,910
Other col.	175,039	205,091	173,228
Totals	$673,676	$770,924	$1,164,071

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Nov. 24, Renfrew.—$17,500, 6 per cent., 30-year, waterworks debentures.

Nov. 3, Bridgeburg.—$50,000, 6 per cent., for additions and improvements to public school—R. A. Land, Town Clerk, Bridgeburg. (See announcement on page 13.)

Nov. 18, R. M. Swan River.—$50,000, 6 per cent. debentures, payable in 30 years. —Joseph Armstrong, Clerk, Box 153, Swan River, Man. (See announcement on page 13.)

BY-LAWS TO BE VOTED

January, London, Ont.—$50,000, for replacing the Ridout street bridge; $100,000 for new reservoir.

Nov. 10, St. Mary's, Ont.—$1,000, for soldiers' club house and monument.

Nov. 28, Winnipeg.—$600,000, for municipal milk depot bonds; $350,000 for a new bridge.

Dec. 11, St. Boniface.—$225,000, for additions to schools.

DEBENTURE NOTES

Galt.—The City Council held a special meeting recently when a by-law to make a loan of $20,000 to the Perfect Machine Company for the purpose of extensions was given its first and second readings. It is expected it will go to the electors in about six weeks' time.

York Township.—Although some time ago two by-laws were passed giving authority to School Section 15 to issue debentures for more than $200,000 to build two additional schools, the Council at a special meeting decided to borrow $40,000 from the bank in order that sites might be purchased for the schools, and to wait until after the Victory Loan had been successfully floated before issuing the debentures. A number of offers have been received for the debentures, but Solicitor Spence was of the opinion that better bids could be obtained later.

New Brunswick.—New Brunswick will issue $2,000,000 of short-term bonds in December.

Esquimalt, B.C.—The Council at a recent meeting decided to submit a by-law providing for the issuance of twenty-year bonds to the value of $25,000 for the erection of a municipal hall, also a by-law for better fire equipment, which will be for $20,000, making $45,000 altogether. The by-laws will be submitted to the electors at the next municipal election.

Hamilton.—The Hamilton Housing Commission has been granted permission to issue debentures to the amount of $74,800, which is being advanced by the Provincial Housing Commission to the local board.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from Sept. 29 to Oct. 4:

School Districts.—Pembroke, $10,000; Renfrew, $3,900; xDublin, $1,000; Lawenarth, $3,800; Meadowville, $3,000; xRoot, $2,000; xHonora, $3,300; Avebury, $2,800; Kilton-Hill, $3,350; Ackerman, $2,800! Probizna, $1,200; Crimea, $2,900; Brancepeth, $4,000; Lister, $3,600; Fairdale, $11,000; Lewiswyn, $5,000; Saskatoon, $175,000; Petersville, $1,500, Riverstone, $4,000; Wolff Valley, $2,000; Bransfield, $2,400; Souris Flat, $5,000; Lake Lillian, $2,550; Amherst, $4,500; Melville View, $5,000. xBeing sold by the Local Government Board.

Rural Telephones.—Malvern, $32,350; Twin Valley, $16,000; Flett Springs, $15,000; Rhein, $7,700; Pleasant Dale, $16,750; Redpath, $5,500; Syburn, $5,000; Raymore, $1,950; South Maymont, $20,540; Quinton, $8,550; Westbrook-Gladwin, $14,200; Springside, $2,700; Hoey, $17,000; Radville, $22,000; Red Cross, $13,000; Tribune, $22,300; Weskanaw, $2,350; Bertdale, $3,400; Tullis, $14,200; Laurie, $12,275; Gilead, $2,850; Riceton, $1,800.

Villages.—Kinistino, $1,000; Salvador, $2,000; Success, $2,000; Cadillac, $3,000.

The following is a list of debentures reported sold from Sept. 29 to Oct. 4:

Rural Telephones.—Ruddell, $5,850, and Lac Pelletier South, $15,300, W. L. McKinnon & Co., Regina; Belle Plain Western, $900, Rosetown Sinking Fund Trustees; Last Chance, $1,800; Philip Temple, Grenfell; South Melville, $14,000, W. L. McKinnon & Co., Regina; Luiden Valley, $17,300, and Frobisher, $9,000, Harris, Read & Co., Regina; Herschel, $5,000, Drake, Ballard & Co., Regina; Leslie, $15,800, Harris, Read & Co., Regina; Donwell-Canora, $18,500, W. L. McKinnon & Co., Regina; McLaren, $14,200, T. D. Rouke, Regina; Bromhead South, $11,600, Nay & James, Regina; Elkhead, $6,200, T. P. Taylor, Regina; Success, $21,300, Harris, Read & Co., Regina; St. Elmo, $1,350, and Innes, $1,900, Bond & Debenture Corp., Winnipeg; Orinoco, $1,700, W. L. McKinnon & Co., Regina; Harder, $18,200, Geo. Foley & Sons, Regina; Red Cross, $13,000, T. D. Rouke, Adams, $3,200, sold locally; Three Rivers, $4,750, A. V. Clements, Gravelbourg; Colonsay, $6,500, J. L. Putman, Regina; Plunkett, $11,800, View Grand, $4,000, and Nealdale, $7,600, Harris, Read & Co., Regina; Quinton, $8,550, Goldman & Co., Regina; Esterhazy, $1,200, and Merrill, $6,700, Harris, Read & Co., Regina; North Cupar, $31,800, J. L. Putman, Regina.

BOND SALES

$1,950 Asbestos at 90 to 77; $2,500 Bell Telephone at 92¼; $18,000 Can. Cement at 100; $1,000 Can. Converters at 90; $3,000 Can. Rubber at 96 to 95; $5,100 Cedar Rapids at 87½ to 87; $100 Dom. Canners at 92½; $1,000 Dom. Cotton at 100; $2,000 Dom. Textile at 99½; $3,000 Lake of Woods at 99¾; $500 Montreal at 101½; $4,800 Montreal Trams at 70 to 69; $1,000 Ogilvie at 100; $200 Penmans at 91¾; $1,500 Que. Rly. at 65; $3,600 Rio at 76 to 75; $3,000 Riordon at 97 to 96; $5,100 Steel of Can. at 95; $37,100 Wayagamack at 89 to 88½; $506,300 Victory Loan at 100¼ to 100; $373,900 (1923) at 100¼ to 100⅛; $190,850 (1927) at 102½ to 102; $457,350 (1933) at 103⅝ to 103⅛; $242,500 (1937) at 104¾ to 104⅜; $66,200 War Loan (1925) at 97¾ to 97⅝; $61,700 (1931) at 99 to 98⅝; $75,100 (1937) at 100¼ to 100⅛.

FATE OF SINGLE TAX IN WESTERN CANADA IS TOLD

Tax Exemption of Bonds Compared to Henry George Theory

WAS FOUND WANTING

Farm Mortgage Bankers Circulate Pamphlet Telling of Results of Land Tax in Western Cities

In its campaign against tax exempt securities, the Farm Mortgage Bankers' Association of America is keeping before the public the evil results that have attended the introduction of the so-called single tax system in Western Canada and some American municipalities. The contention is that the exemption from taxation of bonds and mortgages throws heavier burdens of taxation on land, a state of affairs that is sure to be followed by a condition similar to that experienced by single tax cities. As a part of the campaign, a pamphlet is being circulated which contains a resume of the results of the single tax system compiled by J. Hamilton Ferns, chairman of the Board of Assessors of Montreal. After reviewing the situation created in the West when the slump in city real estate followed an era of single-tax, Mr. Ferns sums up:

"The single tax theory, when put into practice, has failed to abolish or in any way check land speculation; it has not lowered rents; it has not been instrumental in giving permanent employment to all willing to work; it has not increased wages; it has not lowered the cost of living; nor has it abolished poverty. Like many other plausible theories 'it has been weighed in the balances and found wanting'."

West Abandoned It

Western cities were unanimous in wanting to be rid of single tax. Vancouver's tax rate rose to 24 mills in 1917, and when in 1918 it was found to be necessary either to increase the tax 3½ mills or abandon a system that had been their boast and pride, they faced the inevitable and abolished the single tax. In South Vancouver the administrator placed in charge after the city had defaulted its bonds, said: "After careful consideration of the financial situation, I find it absolutely necessary to depart from the straight tax on land, drastic though it be."

In 1917, C. J. Yorath, city commissioner of Saskatoon, scathingly indicted the policy of exemption of improvements from taxation that prevailed in that city and added:

"It has proven to be the most difficult method of raising revenue, was largely responsible for enormous arrears of taxes, did not prevent speculation in land, but in fact stimulated speculation, as through the supposed advantage of inducing the owner to develop his property, an unhealthy prosperity was created."

Assessments Inflated

Mr. Ferns showed how the single tax inflates assessments:

"As an evidence of the inflations of land values so as to obtain sufficient revenue on a low tax rate, Edmonton is a most conspicuous example. In 1914, with a population of 72,500, the assessed land value of that city was $209,000,000. Montreal's total assessed land value in the same year was $537,000,000. Had Montreal's land value been assessed at the same ratio to population as Edmonton's, the assessed value would have been $1,874,000,000, or $1,028,000,000 more than the total assessed value of Montreal's land and buildings. In other words, the assessed land values per capital was, in 1914, Montreal, $825, and Edmonton, $2,880, or over three to one. These figures show how the single taxers of the West were bolstering their theories by fictitious values and a low tax rate."

SASKATCHEWAN AND G. T. P.

Wants Refund of Interest Paid on Bonded Debt

REGINA.—Unless Saskatchewan is refunded every dollar paid in interest on the bonded indebtedness of the Grand Trunk Pacific branch lines secured under Provincial guarantees, the Province will foreclose and take over the lines, is Premier Martin's reply to press reports, quoting Hon. Arthur Meighen and Hon. J. D. Reid, to the effect that the Province would still remain liable to its bonds, despite the proposed Federal legislation to take over the Grand Trunk and the Grand Trunk Pacific.

The Saskatchewan Government made a payment of interest on May 1, amounting to $275,000, and another payment falls due on November 1. Assurances were given by Federal ministers early in the year that legislation would be introduced protecting the interests of the Province, but not only have these assurances not been implemented, but the statement is made that the liability of the Province is to be considered.

Walkerville's population, is now 6,279, an increase of 365 over last year. Property values increased by $1,147,302, according to the annual report of Assessor Mapes.

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CITY OF EDMONTON

Debentures called for Payment

The Holders of the undermentioned debentures are hereby notified that the City proposes to exercise its option on the next Interest Due Date, of taking up all outstanding debentures of the following series:

Issued Under By-Laws.		Series	Maturity	Next Interest Due Date
683		A	July 1, 1920	Jan. 1, 1920
684		B	July 1, 1920	Jan. 1, 1920
700 and 3	1918	C	July 3, 1922	Jan. 3, 1920
27	1918	F	July 15, 1923	Jan. 15, 1920
2	1919	G	Feb. 15, 1924	Feb. 15, 1920

And take notice further that the above Bonds will bear no Interest after their next Interest Due Dates respectively. F. BARNHOUSE, City Treasurer.

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INSURANCE AND REAL ESTATE

FEAR EFFECT ON CREDIT OF STATE FIRE INSURANCE

British Columbia Scheme Alarms Insurance and Financial Men

IS PRIVATE BILL

Investments in Provincial, Municipal, Industrial and Mortgage Securities Would Suffer If Bill Passes

Financial men are viewing with an interest, not unmixed with apprehension, the progress of a movement now on foot in British Columbia to establish a scheme for State Fire Insurance. In some quarters it is felt that the credit of the province will suffer even if the matter is given serious consideration, and to preclude this possibility it is thought that the British Columbia Government should take a stand now against the bill, which will be introduced at the forthcoming session of the legislature by a private member.

The bill, which this member announces he will introduce, would have the province take over the business of fire insurance, assuming responsibility for all fire loss and assess the taxpayers to indemnify those suffering loss. Such a plan has been tried out in a small way in New Zealand, and although there is no information available to show whether or not it was successful in the Southern Commonwealth, one may safely assume that it was not tried out on such a gigantic scale as is proposed in British Columbia.

Insurance men point out that from the one standpoint of non-distribution of risks alone, the proposed bill stands condemned. It has been proven many times that a company having its risks concentrated in one area cannot pull through if a serious conflagration breaks out in that area. It must have risks spread over other areas untouched by the conflagration. At the time of the Chicago fire in 1871 the insurance losses amounted to $96,000,000 of which only $44,000,000 was ever collected, the reason being that the remainder was largely held by local companies carrying their risks mainly in Chicago. Similar conditions prevailed in Boston at the time of the great fire there in 1872, when of an insurance loss of $60,000,000 only $36,000,000 was paid. Even British Columbia cities are not immune from the possibility, remote though it may be, of a serious conflagration. San Francisco with its $225,000,000 of fire risks was considered a happy hunting ground for the insurance companies—until 1906, when practically the entire city was destroyed by earthquake.

Credit Would Be Hit

What would be the result on the credit of British Columbia of state fire insurance. This point, as well as many other aspects of the situation, evidently unthought of by the originator of the project, were discussed by J. B. Laidlaw, Canadian head of the Norwich Union Fire Insurance Company in an address in Vancouver last week. Mr. Laidlaw pointed out the possible effect on the credit, not only of British Columbia, but of its municipalities and industries, of the adoption of such a scheme. The entire credit of the province, he said, would suffer, because the risk, would be too much for it, as a province, to undertake. Mortgage and other investments would suffer because the insurance on the buildings would not be as secure as when held by a strong company with widely spread risks. Municipal credit would suffer because of the inadequacy of the protection afforded property.

As showing how serious the burden on the province would be, Mr. Laidlaw, on his return to Toronto this week, gave The FINANCIAL POST some figures of the amount of insurance now held in some of the leading municipalities of the coast province. Vancouver has a fire risk of $125,000,000; Victoria, $40,000,000; New Westminster, $15,000,000 and Kamloops $4,000,000.

At present the project is being warmly pushed by a member of the B.C. legislature who saw the New Zealand scheme in practice on a recent trip to those islands. He is understood to have sought the support of the Government, but though not opposing the bill actively the Cabinet has not declared its position on the matter. Financial men in Toronto and Montreal feel that a statement should be forthcoming from the Government shortly, in the interests of investors in British Columbia securities.

MORTALITY RATE LOWER

Life Insurance Records Show Better Record This Year

Health statistics of the leading cities of the United States and Canada, and figures compiled by the insurance companies, show that mortality has been lower and health conditions in general more favorable during the past summer, than during any corresponding period in recent years. Much of this low mortality is attributed to the comparatively cool weather prevailing throughout the summer, and to the fact that the influenza epidemic of last fall and winter caused the premature deaths of a good many people suffering from chronic diseases. These deaths, viewed from an actuarial standpoint, would have occurred under ordinary circumstances throughout the spring and summer of 1918.

BRITISH DEATH RATE HIGHER THAN ENEMY'S

Terrible Wastage of War Shown by Mortality Tables Among Men

British insurance companies suffered more heavily during the war than German insurance companies, it would seem from mortality tables prepared by Arne Fisher, an American actuary. Before the war the male death rate in England was much smaller than the male death rate in Germany, especially among younger men. During the war the German death rate among men was smaller for both young men and older men, for every age from 20 to 60, except around the age of 25. Incidentally the tables show the terrible wastage of lives through war. Comparative death rates before the war and during the war for England and Germany were as follows:

British Death Rate

	Pre-War Death Rate Per 1,000		War-Time Death Rate Per 1,000	
Ages	Eng.	Prussia	Eng.	Prussia
20	3.48	4.97	47.42	42.60
25	4.00	4.87	35.07	37.60
30	4.78	4.92	26.01	26.00
35	6.24	6.20	20.97	17.20
40	8.11	8.10	14.52	12.80
45	10.89	10.90	11.54	10.50
50	14.82	15.22	14.13	11.30
55	21.11	22.31	22.83	15.00
60	30.42	30.98	32.91	23.20

LAKE SHORE PROPERTY

London Syndicate Buys Block Near New Toronto

An English syndicate has purchased for about $400,000 a large block of property between the Lake shore road and Lake Ontario near Toronto, extending from Long Branch to New Toronto. The property is in the West Point and Pine Beach subdivisions, which are now being sold as building lots by Robins, Ltd.

Property along the Lake Shore road out of Toronto is very active. Inside lots facing on the highway and those fronting on the lake command about $45 a foot, while inside lots range from $20 to $30 a foot. Nearer the city property values are equally stable, and building has been going on rapidly to care for the workers brought in by new industries at New Toronto.

NEW TORONTO TERMINAL?

C.P.R. Denies Report Published by Toronto Paper

Strenuous denials have been made by officials and directors of the Canadian Pacific Railway to the report published in a Toronto evening paper to the effect that the C.P.R. was contemplating the erection of a huge terminal and hotel at the upper end of Toronto's business district, to be connected by a 6,000-foot tunnel with the present North Toronto Station.

The report, as published, states that the Canadian Pacific has acquired most of the land in the block surrounded by Yonge Street, Alexander Street, Church Street and Carlton street, for the site of the proposed terminal, at a cost of about $3,000,000, and intends to spend an additional $9,000,000 on development work on the property.

UNDERWRITERS HAD FIRE

'Twas Next Door, But They Suffered Just the Same

Underwriters get so used to fires they take them almost as a matter of course. There was a fire in New York last Saturday, however, that caused the New York underwriters more trouble for its few thousand dollars of loss than many million dollar conflagrations. The fire occurred next door to the Underwriters building and the water the fire department squirted on the blaze went into the underwriters' offices and destroyed many valuable records. Moreover the building where the fire occurred houses the printing plant that gets out the daily patrol report, and in consequence no report appeared for a day or two.

INSURING CREDIT WOULD HELP OUT OVERSEAS TRADE

Enables Exporters to Have Accurate Information Given Them

BRITAIN TRIES IT

Development of Scheme Would Relieve Manufacturers of Much Worry, Says London "Times"

Insurance of foreign credits, which in England has been made practicable by the formation of the Trade Indemnity Company, as was announced in the FINANCIAL POST last week, is not a new idea, though it has not been put into actual practice before. For many years British exporters and financiers have been considering the feasibility of such a scheme.

Discussing recently the policy of the British Government in relation to the financing of export trade, the London "Times" published an article on trade insurance, which said in part:

How Scheme Would Work

"Insurance of credit seems promised an important place in both oversea and domestic commerce. The way in which it would facilitate oversea commerce may be illustrated by an example. An English manufacturer may be offered the business of selling merchandise to an importer, say, in Brazil, on the strength of six months' credit. He himself knows nothing about the financial standing of the firm in Brazil. He would therefore go to an English insurance institution, which would be in communication with a similar institution in Brazil. The Brazilian institution would investigate the credit on the spot, and, if it found the credit satisfactory, the institution would be expected to retain part of the risk and receive a pro rata proportion of the premium. The English institution would complete the transaction by giving the English manufacturer indemnity to the extent of three-fourths of the sum insured. The Brazilian exporters could likewise insure their British credits.

The Brazilian exporter might have no means of knowing the financial standing of the importing house in the United Kingdom, but he could cover himself by insuring through a British office, which would be in a position of having, or being able to secure, accurate information. Precisely the same sort of transaction would take place in connection with trade between Great Britain and the Scandinavian countries, or, indeed, any other countries in the world.

Benefit International Trade

"By such methods as these an intelligence system of an extremely valuable character would be gradually evolved for the benefit of international trade. The system would be greatly strengthened by reason of the fact that all the correspondents in supplying information would have a direct, substantial interest in its accuracy. The development of such a scheme would relieve manufacturers of much of the worry they now experience in respect of the credits they may give, and it would allow them to devote themselves more freely to their principal business, which should be the improvement of their production. It would not relieve them altogether of thought respecting the financing of their business, since they would still be required to bear a proportion of the risk. But for this proviso they would obviously be encouraged to reckless trading. Many cases are known in which merchants have refused to bear even 50 per cent. of the risk and wanted to insure the whole of the credit."

The Sheffield Independent says that the Messrs. Selfridge have acquired a controlling interest in the firm of Cole Brothers, one of the largest department stores in Sheffield.

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OUTLOOK IS GOOD IN THE WEST FOR FARM MORTGAGES

Despite Seeming Failure of Crop, Western Canada is Cheerful

BUSINESS IS ACTIVE

Treasurer of Canada Life Confirms Optimistic Reports That Have Been Reaching Eastern Canada

Holders of mortgages on Western farm lands and improved city property in Western cities need not be unduly apprehensive concerning the safety of their investment. Reports given out by investment officials of many large Eastern financial and insurance companies who have been looking over the situation in the West are very encouraging. The semi-failure of the crops has not affected farm land values, which in many localities are rising, while in the cities, the increasing activity in all lines of business has brought prosperity. In British Columbia, lumbering is very active, because of the high prices obtainable for British Columbia fir, spruce and other woods.

Returning from a trip of several weeks' duration in the Western provinces, E. M. Saunders, treasurer of the Canada Life Assurance Company, confirms reports of the cheerfulness of the West, despite the failure of the crops in many sections. Business is good throughout the West in all lines, and prosperity, rather than depression, is the rule.

Property Values Firm

The Canada Life is quite satisfied with the position of their farm land mortgages in the West, says Mr. Western provinces. Generally speak-000 invested in this class of securities in Saskatchewan, Alberta and Manitoba, in addition to mortgages on improved city property in all four Western provinces. Generally speaking, property values are holding firm in agricultural lands, and the influx of American settlers has been a strengthening factor. In this connection Mr. Saunders said:

"These American settlers are the very class of immigrants Western Canada needs. They bring with them household effects and farm implements. They all have money because they have in nearly every case liquidated large holdings of farm land in the Middle Western States where values at present are very high, and on coming to Canada are able to purchase land at a fraction of the price they received for their American farms. Above all they have experience, and that is what counts in getting the full production from the soil."

Values for city properties have remained stable only in the best sections. Sub-division property is in no better position than it was following the collapse of the great boom of 1912-1913, and many municipalities have relegated it to its proper place as farm lands.

There is a great shortage of houses all through the West, said the Canada Life treasurer to THE FINANCIAL POST. In Vancouver it is especially marked, and office accommodation, too, in that city is scarce. The Canada Life building in Vancouver, many offices in which had remained vacant for some time, now had no offices vacant.

A CANADIAN BOY HEADS WOOLWORTH ORGANIZATION

Continued from page 10.

asked me brusquely, 'How much do you want?' 'Twelve dollars,' I told him. 'I'll give you eight dollars; no more,' he said. 'I'm worth twelve dollars and can earn more than that for you,' I replied. 'I can't pay it,' he said, and I then left. Before I had a chance to close an offer, I got a letter from Mr. Woolworth asking me to call again. He said he had decided to try me out.

"I soon found that there was a tremendous amount of work to do. Mr. Woolworth then had fourteen stores and all the office force he had was two young men and two girls. He was working like a galley-slave. Before the end of the first week I was discouraged. So much bookkeeping and general office work was thrown on me that I went to see the other concern that had made me an offer. The man was not in. That night I fought it out with myself. I finally concluded that I would tackle anything and everything heaped on me, that I would not be a quitter and that, having cast my lot with Woolworth, I would stick to him through thick and thin. And I have."

Has-Made History

Mr. Parson since then—that was twenty-seven years ago—has made mercantile history. It was he, more than any other individual, who taught Woolworth that there were many duties which could be delegated to assistants. It was Parson who plodded and planned to give correct, businesslike form to Woolworth's ambitious dreams. It was Parson's installation of systematic compiling of records, of cost-analyses, of uniform merchandising forms—it was his wizardlike ability to develop order and organization that prevented his chief from having another breakdown, and freed him to go into the field and expand with unprecedented rapidity. How invaluable Parson became in upbuilding Woolworth's may be gathered from this reply Woolworth once gave me when I asked him for some figures:

"Ask Parson. He knows more than I do. He knows everything about the business."

Knows Everything

He knows everything about the business. In that one short sentence does there not lie the explanation of Parson's phenomenal rise?

Parson, please understand, was not pitchforked into high place. He had to earn each step. He had to win every new office and honor. After several years of hard, grinding office work, toiling often until dawn, Parson suggested that practical training in store management would broaden him; but Woolworth replied that Parson was already too big and too broad to be confined to one store; he had a mind capable of mastering the business as a whole and of aiding invaluably in its expansion along methodical, scientific lines. From accountant in the head office, the young man branched out as traveling accountant and auditor, with supreme supervision over the accounts of all stores. He developed a genius for collecting masses of figures and facts from all the scattered stores, and then marshaling them, correlating them into one brief, simple exhibit which told the whole story so plainly that anyone could grasp its full meaning.

The Only One

When the business was incorporated, in 1905, as F. W. Woolworth & Company, with $10,000,000 capital, there was only one man considered for the dual office of secretary and treasurer, H. T. Parson. He was given complete charge of every inside activity and proved his calibre so clearly that when the $65,000,000 F. W. Woolworth Company was formed in 1912, with a total of 596 stores in the combination, he was made secretary and, four years later, vice-president, treasurer and general manager, a triple position which marked him as the dominant factor in the company, Mr. Woolworth meanwhile having largely withdrawn from active duty. When Mr. Woolworth died, last April, Mr. Parson naturally stepped into the presidential chair.

"What has your twenty-seven years' experience in handling hundreds of stores and millions of customers taught you that might be helpful to other merchants and business men? Also, what can you tell young men and women on the subject of getting on, seeing that you have thirty thousand or forty thousand under your charge? In other words, what has been the secret of the Woolworth success?" I asked Mr. Parson.

"I fear I cannot sum up the whole story in a few epigrams," replied Mr. Parson with a smile. "While our basic principles have been few and simple, a thousand and one little and big things have entered into the building up of our business. To hard, unremitting work, which, of course, is at the base of every great success, we have wedded foresight, basing our foresight on the most exhaustive information available. We are gluttons for facts, for exact, detailed information.

Carefully Chosen

"For example, every location for a store is chosen, not by hit or miss, but on scientific principles. We never make a move on impulse, on mere theory, on guesswork. We not only look before we leap, but we take detailed measurements of the ground where we are going to land. Success cannot be attained by working in the dark; you must all the time know why you should or should not do a thing, and what the results are likely to be.

Are Two Parts

"There are two parts to every business: dealing with the public and dealing with your own organization, your own employees. The public wants the greatest possible value for its money; this applies to rich and poor alike, we have found by experience. In dealing with employees, we have found that by far the best plan is to give every individual in the organization, wherever it can be done, a share of the profits they themselves help to make.

"There are practically in our whole force, from store manager up, only myself and three vice-presidents who draw a salary. Every store manager is dependent upon the profits his store makes; every district manager's income is regulated by what his district makes; and those of us who are executives at headquarters get a share of the general results for the year. This means that every responsible employee, particularly every manager of a store, feels that he is a direct partner and that the greater the profits the larger the income received.

Must Have Loyalty

"You cannot run any large enterprise successfully without loyalty and enthusiasm through all ranks. The way to secure this loyalty and enthusiasm is to pay for it. Every man has a chance to develop initiative, and if he makes good he gets a large share of the profit. In a sense each one is in business for himself as a local merchant, part of his local community. He employs his own help, orders such goods as he thinks best and in any quantity he desires. We virtually set him up in business; furnish him a store, stock it with goods, and teach him how to get the best results in store management. The rest is up to him. Of course, if he doesn't succeed, we have to put another man in his place. We never go outside the organization for a man to fill any position above a clerk, and all the important men have understudies training to fill their positions at any moment."

"You emphasize foresight. Can you give me a concrete illustration?" I asked.

"Yes. As soon as it was announced that the United States Steel Corporation was to build a large plant at Gary, Indiana, we obtained a copy of the plans, studied out which would be the best location, and before fifty houses had been built a Woolworth store was ready to handle the business which we knew would come.

Get the Facts

"How do we not only look before we leap, but take detailed measurements of where we are to land? Well, for one thing we are constantly compiling what is virtually a census of the United States. We not only procure promptly every helpful report compiled by the Census Bureau at Washington, and by all state census bureaus, but the head of the eleven districts into which we have divided the country keeps the closest possible tab on the trend of population, and reports to us the places that are growing and those that are declining. We shun dead or decaying towns. We open on an average at least one store every week. Very often our decision to open a new store is based upon the statistical information supplied by our own district men, or by our own buyers or traveling superintendents, or others of our forty men on the road; but not infrequently we receive tips from manufacturers or buyers with whom we do business, from real estate men, or even from outsiders who write to us. Then we watch all newspapers for clues. Every suggestion, no matter what its source, receives careful consideration.

Examine Situation

"Once we have made up our minds that a certain place looks like a good prospect, we send one of our corps of experts to examine the situation. He finds out everything possible about the general position and prosperity of the town, and if he is satisfied that a store is likely to succeed he proceeds to determine the ideal location. Having ascertained the best and busiest shopping centre, he next investigates available space. The next, and very important, step is to take a complete count of the number of people who pass different possible sites each hour of the day. We always go with the business tide; we never attempt to buck it.

"It would often be fatal even to open on the left side of a street if the right side is the popular one—and it is curious how many streets there are which are prosperous on one side and not on the other. We found, I recall, when we investigated Brooklyn, that Fulton Street was the choice location, provided we could get space on the east side. Rather than venture to start on the west side, we writed our chance to obtain a building on the best side.

"We were ridiculed a good deal when it became known that we contemplated opening a large store on Fifth Avenue opposite the New York Public Library; but the acid test had been applied to this location and we were confident that the innovation would prove extremely profitable. There was a time when only the poorer people patronized our stores; but this began to change about fifteen years ago, and for the last eight or ten years we have done almost as much business with the well-to-do as with the less well-to-do.

(Continued in next issue)

SEVENTY-FIRST ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ending 30th September, 1919

The Directors submit the Report and Financial Statements of the Company's operations for the fiscal year ended September 30th, 1919.

Considering the exceptional difficulties under which the working of the Company was carried on during the year, the results shown cannot be regarded as other than satisfactory.

While the Profit and Loss Statement shows an adverse balance of $127,064.41, after payment of interest charges and dividends, and after making the statutory provision for the Plant and Buildings Renewal Fund, it must be borne in mind that the recent increase in the price of gas has been effective during only one month of the period covered by the statement now presented. The Directors did not feel warranted in increasing the rate charged to gas consumers until such time as it could be definitely shown that an increase was necessary.

The Company's Act of Incorporation provides that any sum or sums drawn from the Rest or Reserve Fund to meet the requirements of the Company shall be restored from time to time out of the earnings of the Company, and it is confidently anticipated that the earnings during the current year will be quite sufficient to enable the Directors to restore to the Reserve Fund the amount above referred to.

The present unit prices of the three items of coal, oil and operating wages, represent a total increase for the year of $1,114,677.00 upon pre-war figures.

The manufacturing plant and distribution system have been maintained in a high state of operating efficiency, thus insuring the best results in the quality of gas and reliability of service..

More than four thousand new customers have been added to the list of gas consumers during the year.

The Commercial Department has satisfactorily fulfilled its function, that of supplying the consumer with the most modern, attractive and efficient gas-burning appliances at the lowest cost possible, and providing a system of maintenance whereby consumers may have their appliances kept in good condition at slight cost.

During the year there were sold by the Gas Company alone 2,904 Gas Water Heaters, 2,111 Gas Cooking Ranges, 864 Gas Fires, 942 Gas Irons, 278 Hot Plates and Laundry Stoves, a large number of lighting fixtures and miscellaneous appliances, in addition to the substantial sales made by local dealers in gas stoves and other gas consuming merchandise.

These results cannot but have a most beneficial effect upon the sale of gas, and are also an indication that the householders of Toronto are realizing more and more the advantages and usefulness of gas in the home.

The Shareholders will be gratified to learn that while the use of gas for the manufacture of war munitions has been discontinued, many large and important installations of Furnaces, Steam Boilers, Crucibles, Ovens, etc., using gas as fuel, have been made in establishments engaged in peace time industries, and that the increase in the consumption of gas for these purposes is very large.

The Directors are proud of the record made by the Company's employees in the war, and are gratified to know that the financial provision made by the Company for the wives and families of enlisted men has been appreciated. Of the 414 employees on military service overseas, 51 have been reported killed or have died. The Directors desire to pay their tribute of respect to the memory of these brave men. Opportunity has been afforded every returned man who was in the Company's employ at the time of his enlistment, to re-enter the service. At the present time 279 of the Company's employees are returned soldiers.

The Shareholders are asked to confirm the following subscriptions and special allowances made during the past year:—

January, 1919—Salvation Army Fund	$ 500.00
April, 1919—Citizens' Repatriation League	400.00
June, 1919—Repatriation Campaign ("Big 4")	1,000.00
Payments to wives and families of men enlisted for active military service overseas	10,521.75

The following statement for the past, as compared with the preceding year, shows:—

	Meters	Gas Sales
Year ended 30th September, 1919	117,033	$4,018,259.52
Year ended 30th September, 1918	113,022	3,811,386.89
Increase	4,011	$206,872.63

All of which is respectfully submitted.

A W. AUSTIN,
President.

STATEMENT SHOWING PROFIT REALIZED BY THE CONSUMERS' GAS COMPANY OF TORONTO.

From October 1st, 1918, to September 30th, 1919.

1919	Dr.	
Sept. 30	To Coal, Bituminous	$1,434,411.04
	" Anthracite, and Coke	551,262.42
	Gas Oil	497,311.26
	Oxide	11,976.00
	Steam	270,721.41
	Wages—Manufacturing	255,499.18
	Miscellaneous Wages and General Expenses at Works	344,383.95
	Street Department Expenses	14,332.35
	Meter Settings	56,183.48
	Government Fees Inspection of Gas and Meters	18,543.21
	Meter Department Expenses	29,306.31
	Reading Meters and Delivering Bills	31,076.85
	Customers Accounting	45,017.49
	Collection Salaries	43,871.39
	Sundry Collection and Accounting Expenses	25,856.11
	Administration Salaries and Expenses	30,464.90
	Directors	15,000.00
	Auditors	1,800.00
	General Salaries and Expenses	127,121.07
	Patriotic Donations and Gratuities to Dependents of Enlisted Employees	14,500.65
	Taxes, including Workmen's Compensation Tax	189,763.06
	Insurance Premiums	22,437.68
	Advertising	12,028.08
	Arc Lamp and Reflexolier Expenses	51,718.58
	Cost of Mdse. sold, and Piping Work for Customers	304,635.53
	Mdse. Storage and Selling Expenses	61,763.45
	Commercial Department Expenses	79,312.03
	Balance Carried Down	965,917.77
		$5,506,215.25
1919		
Sept. 30	To Interest	$ 57,536.97
	Dividends	535,999.41
	Plant and Buildings Renewal Fund	499,445.80
		$1,092,982.18

1919	CR.	
Sept. 30	By Gas Sales	$4,018,259.52
	Residuals Produced	1,003,522.97
	Merchandise Sold, Piping and Burner Rentals	438,640.46
	Miscellaneous Revenue	45,792.30
		$5,506,215.25
1919		
Sept. 30	By Balance Brought Down	$ 965,917.77
	Reserve Fund	127,064.41
		$1,092,982.18

A. W. AUSTIN, President
(L.S.)
ARTHUR HEWITT, General Manager.

Examined and found correct—
W. E. SAMPSON,
EDMOND GUNN, F.C.A.
Auditors.

Toronto, 22nd October, 1919.

BALANCE SHEET OF CONSUMERS' GAS CO. OF TORONTO, September 30th, 1919.

1919	Liabilities		
Sept. 30	—Capital Stock:—		
	Issued under Act of 1887	$2,000,000.00	
	Issued under Act of 1904	3,360,700.00	$5,360,700.00
	Reserve Fund:—		
	Amount at Credit Oct. 1, 1918	405,856.08	
	Transferred to Profit and Loss, September 30, 1919	127,064.41	
		278,791.67	
	Premium on Stock, Act1904	2,840,877.28	3,119,668.95
	Plant and Buildings Renewal Fund,		
	Amount at Credit Oct. 1, 1918	1,766,986.85	
	Less Repairs and Renewals	496,855.20	
		$1,270,131.65	
	Transferred from Profit and Loss, September 30, 1919	499,445.80	1,769,577.45
	Reserved for Dividend No. 278		134,017,50
	Liabilities Accrued, Not Due		58,911.85
	Special Bank Advance		1,268,288.17
	Sundry Accounts Payable		233,044.68
			$11,944,208.60

1919	Assets	
Sept. 30.	—Real Estate, Plant and Equipment	$10,444,795.87
	Other Investments	205,949.96
	Materials and Supplies	693,494.93
	Cash in Bank and Offices	141,530.41
	Accounts Receivable	456,415.31
	Accounts Receivable, Accrued, not due	2,022.12
		$11,944,208.60

A. W. AUSTIN, President.
(L.S.)
ARTHUR HEWITT, General Manager.

We beg to report the completion of the audit of the books and vouchers of the Consumers' Gas Company of Toronto, for the year ending 30th September, 1919, and certify to their correctness.

(Signed) W. E. SAMPSON,
EDMOND GUNN, F.C.A.
Auditors.

Toronto, 22nd October, 1919.

Continuing, Mr. Austin said:—

"In moving the adoption of the report on behalf of the Board of Directors, I have the honor to submit the seventy-first report, covering the operation of your properties for the year ending 30th Sept., 1919. I can add but little to the comprehensive report, but may emphasize one or two points.

"We are still suffering from high prices. The exorbitant prices paid for coal by foreign countries, has kept up the price for same, and has made it difficult for us to obtain a constant supply, even under contract. When the war was over, it is estimated that about forty thousand coal miners, in the United States, returned to their native lands, thus cutting down the output. However, this Company is fortunate in not having to depend solely upon coal for the manufacture of gas, and it has been very convenient, at times of coal shortage, to make use of oil, which, while perhaps more expensive, has been easier to obtain. Whenever possible, we have built up large reserve stocks of both commodities.

"The smaller output of coal in the United States, with a greater foreign demand than ever before, should cause our Government to wake up and make further search for coal and oil in our own country.

"You will notice in the report that we have had an increase of over four thousand customers and could have had many more, had we had the facilities to take care of new business.

"The item, $10,521.75, being payment to dependents of our employees who enlisted, is the final payment. It was given only while the war lasted.

"It will be necessary in the near future to consider the enlargement of our plant, and the extension of mains, in order to keep up with the constantly increasing demand for gas.

"Incorporated in 1848, the Company has a record of uninterrupted growth and prosperity. While the dividend is limited, the payment of that dividend is a fixed charge upon the earnings, and the price of gas is regulated by the accumulation of surplus earnings after the full dividend has been paid. Whenever the revenue is insufficient to meet the requirements of the Company, including the dividend, the price of gas must be adjusted accordingly. This is what has happened in the past year. The continued rise in the price of materials and labor rendered necessary an increase in the price of gas. With this increase the revenue will be raised to a point where all the Company's obligations will be covered, and will provide as well, for the small adverse balance of the past year. Let me remind the shareholders that even the increased price of gas in Toronto is lower than that prevailing in most American cities, notwithstanding the fact that in Toronto, oil, coal, and other raw materials, being subject to import duty and extra freight rates, are much higher.

"The staff and employees have had a most arduous task in conducting the affairs of the Company during the year, and I take pleasure in expressing our appreciation of their faithful and efficient services.

"In conclusion, permit me to direct your attention to the Roll of Honor, on the wall of this room. This is a great record of numerous employees, some of whom have given their lives in the service of their country in the world war, now so happily closed."

The following gentlemen were elected Directors for the ensuing year:—A. W. Austin, Esq.; A. H. Campbell, Esq.; Wellington Francis, Esq., K.C.; F. LeM. Grasett, Esq., M.D.; John Hoskin, Esq., K.C., LL.D., D.C.L.; H. Langlois, Esq.; Thos. Long, Esq.; Lieut-Col. J. F. Michie; Sir Edmund Osler.

At a meeting held subsequently, Mr. A. W. Austin and Mr. Wellington Francis, K.C., were unanimously re-elected President and Vice-president, respectively.

Insure
Prosperity

Buy
VICTORY
BONDS

CAMPBELL, THOMPSON & CO.
Canada Life Building
TORONTO

The London Mutual Fire Insurance Company

ESTABLISHED 1859

Assets $639,691.58
Surplus to Policyholders........... 164,317.87

DIRECTORS:
A. H. C. CARSON, Toronto, PRESIDENT
F. D. WILLIAMS, VICE-PRESIDENT
A. C. McMASTER, K.C. W. T. KERNAHAN
J. G. M. NESBITT W. H. HUNTER
H. N. COWAN.

HEAD OFFICE, 33 SCOTT STREET, TORONTO.

DIVIDEND NOTICE

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Monday, the FIRST DAY OF DECEMBER next, to Shareholders of record of 31st October, 1919

By order of the Board.

FREDERICK WILLIAMS-TAYLOR.
General Manager.

Montreal, 24th October, 1919

The Royal Bank of Canada

DIVIDEND No. 129

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Monday the first day of December next, to shareholders of record of 15th November.

By order of the Board.

C. E. NEILL.
General Manager.

Montreal, Que., Oct. 14, 1919.

THE BANK OF TORONTO

DIVIDEND NO. 153.

NOTICE is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. per annum,** upon the Paid-up Capital of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the **First day of December** next to **Shareholders** of record at the close of business on the Twelfth day of November next.

By Order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto,
Toronto October 29th, 1919.

The Canadian Bank of Commerce

DIVIDEND NO. 131

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of Twelve per cent. per annum, has been declared for the quarter ending 30th November next, and that the same will be payable at the Bank and its Branches on and after Monday, 1st December, 1919. The Transfer Books of the Bank will be closed from the 17th to the 29th of November next, both days inclusive.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th October, 1919.

THE FINANCIAL POST IN MONTREAL

Offices of THE FINANCIAL POST in Montreal are in The Southam Building, 128 Bleury St. THE FINANCIAL POST is on sale at the following news-stands and book-stores in Montreal: Murphy's News-stand, St. James St. (next G.P.O.); the Ritz-Carlton Hotel, the Windsor Hotel, the Queen's Hotel, Chapman's Bookstore, 190 Peel St.; Foster, Brown & Co., 472 St. Catherine St. West.

HEAVY DEPOSITS AVAILABLE FOR VICTORY LOAN

Increase During September Approached Hundred Million

NATIONAL FINANCING

Advances to the Government Were Increased by $50,000,000 and Current Loans Showed Expansion

Victory Loan workers will find material encouragement in the bank statement covering conditions at the end of September. An increase of over $66,000,000 in saving deposits, and of nearly $31,000,000 in demand deposits during the month is noted. Savings deposits have reached the high mark of $1,227,000,000 and with demand deposits of over $650,000,000, a total of $1,878,000,000 is shown. Deposits outside Canada were higher by about $17,000,000. It is interesting and significant to note that this total is more than $250,000,000 greater than at the same time a year ago on the opening of the Victory Loan campaign of 1918—about $190,000,000 of this increase being in savings accounts.

This large growth in deposits during month was the main factor in an expansion of gross assets of $138,000,000, and put the banks in a position to advance an additional $50,000,000 to the Government and nearly $47,000,000 on current loans without materially curtailing credits in any direction. There was a curtailment of $4,600,000 in call loans abroad as a small indication of increased requirements at home and holdings of Dominion notes were reduced by $4,000,000, but there were counter-balancing increases of $4,850,000 in current loans abroad and an expansion of over $4,000,000 in letters of credit outstanding. At the same time the gold reserve was increased by $8,700,000, provincial loans were higher by $1,820,000, and funds in banks of the United Kingdom and foreign countries were enlarged by over $1,500,000 in both cases.

Government Advances

The increase in Government securities held by $50,000,000, to a total of $323,000,000, is an indication of the large amount which the Government has drawn from the banks on short term securities in order to finance the nation's affairs. It indicates, too, the necessity of making the Victory Loan total far above the official $300,000,000 so that the advances from the banks may be liquidated and funds provided for public finance and for the necessary credits to facilitate agricultural and industrial operations. The outlook is, however, that the whole thing will be successfully worked out. The large deposits indicate the ability of the people to subscribe the necessary amount and the transference of these funds to the Government will facilitate the liquidation of obligations to the banks and the maintenance of funds for the financing of current trade, commerce and industry.

Further, in this connection the obligation of the banks to the Government of $110,000,000 should not be overlooked as it may be taken to largely represent "legals" which have been issued under the War Measures Act to enable the banks to meet the abnormal demands of the Government until such time as funds are available from the new loan.

An interesting sidelight bearing on the policy of the banks with regard to premises, indicating that advantage is being taken of the present prosperous times to write off against investment in premises, is the fact that although hundreds of new branches have been opened in recent months throughout Canada this account was marked down by $550,000 during the month, and is only $2,000,000 greater than a year ago. The total of assets in premises is put at $55,460,000.

ANALYSIS OF BANK STATEMENT FOR SEPTEMBER

	Sept., 1919	Aug., 1919		Change in month	Sept., 1918		Change in year
ASSETS							
Immediately Available Liquid Resources.							
1—Specie	$ 81,560,043	$ 80,824,700	+	$ 735,343	$ 74,684,377	+	$ 6,875,666
2—Dom. notes ...	166,098,147	170,100,535	+	4,002,388	187,080,654	—	20,982,507
4—Gold reserve..	115,100,000	106,400,000	+	8,700,000	100,070,000	+	15,030,000
9—U. K. banks..	11,588,642	9,924,266	+	1,664,376	8,325,560	+	3,263,082
10—For. banks ...	48,056,076	46,286,574	+	1,769,502	43,763,911	+	4,292,165
11—Govt. secs. ...	323,781,953	273,332,930	+	50,449,023	223,313,609	+	100,468,344
15—Call loans abd.	169,532,489	174,176,578	—	4,644,089	159,680,810	+	9,851,679
	$ 915,717,350	$ 861,045,583	+	$ 54,671,767	$ 796,918,921	+	$118,798,429
Loans and Securities Other Than Those of Canadian Government.							
12—Pub. secs. ...	$ 255,098,813	$ 254,235,984	+	$ 862,829	250,698,255	+	4,400,558
13—Rly. secs. ..	53,658,486	52,679,157	+	979,329	55,903,534	—	2,245,048
14—Can. call lns.	96,912,709	95,899,836	+	1,012,873	74,137,860	+	22,774,849
16—Cur. lns. ...	1,058,572,202	1,011,785,424	+	46,786,778	942,802,018	+	115,770,184
17—Loans abd. .	151,814,511	146,964,315	+	4,850,196	109,850,161	+	41,964,350
19—Provs. lns. ..	6,667,116	4,846,194	+	1,820,922	3,099,312	+	3,567,804
20—Municipal ...	57,033,309	57,536,867	—	503,558	47,977,472	+	9,055,837
	$1,679,757,146	$1,623,947,777	+	$ 55,809,369	$1,484,468,612	+	$195,288,534
Other Assets							
21—Over. debs...	$ 4,570,685	$ 4,342,582	+	$ 228,103	$ 5,277,859	—	$ 707,174
22—Real estate...	5,558,881	5,540,382	+	18,499	5,746,898	—	188,017
23—Mortgages ...	2,394,551	2,417,912	—	23,361	2,007,262	+	387,289
24—Premises	55,464,363	56,014,766	—	550,403	53,268,468	+	2,195,895
25—Lets. of cred..	34,752,308	30,638,645	+	4,113,663	21,451,481	+	13,300,827
26—Other assets..	2,888,012	2,801,973	+	86,039	2,593,005	+	295,007
	$ 105,628,800	$ 101,756,260	+	$ 3,872,540	$ 90,344,973	+	$ 15,283,827
Total......	$2,701,103,296	$2,586,749,620	+	$114,353,676	$2,371,732,506	+	$329,370,790
3—Note cir. dep.	5,041,985	5,935,805	+	6,180	5,850,615	+	91,370
5-8—Int. bk. bal.	144,872,399	121,123,625	+	23,748,774	130,131,860	+	14,740,539
Gross......	$2,851,917,680	$2,713,809,050	+	$138,108,630	$2,507,714,981	+	$344,202,699
LIABILITIES TO THE PUBLIC.							
Liability to Government and Circulation.							
1—Circulation ..	$ 225,907,997	$ 222,461,915	+	$ 3,446,082	$ 211,623,856	+	$ 14,284,141
2—Dom. Govt...	110,217,948	100,639,909	+	9,578,039	97,328,077	+	12,889,871
3—Prov. Govt..	24,094,698	23,552,757	+	541,941	20,216,474	+	3,878,224
Deposits by Public.							
4—Dem. dep. ..	650,743,015	584,300,855	+	66,442,442	588,940,119	+	61,802,896
5—Savings	1,227,437,715	1,196,632,931	+	30,804,784	1,037,498,920	+	189,938,795
Total Can. ...	$1,878,180,730	$1,780,933,786	+	$ 97,246,944	$1,626,439,039	+	$251,741,691
6—Foreign	255,274,256	238,363,859	+	16,910,397	217,486,568	+	37,787,688
Due to Banks Abroad, Etc.							
9—U. Kingdom.	$ 6,482,034	$ 7,439,436	—	$ 957,402	$ 6,122,571	+	$ 359,463
10—Foreign ...	30,951,715	29,407,035	+	1,544,680	26,674,357	+	4,277,358
11—Bills pay. ...	4,509,603	4,026,400	+	483,203	1,833,157	+	2,676,446
12—Acceptances .	34,752,308	30,638,645	+	4,113,663	21,451,483	+	13,300,825
13—Other liab. .	3,548,591	4,361,020	—	812,429	5,717,628	—	2,169,037
7—Lns. from bks.	....	....		....	4,000,000	—	4,000,000
Pub. liab.	$2,573,919,879	$2,441,824,762	+	$132,095,117	$2,238,893,210	+	$335,026,669
8—Due bet. bks..	8,638,270	7,860,268	+	778,002	10,072,133	—	1,433,863
Gross	$2,582,558,149	$2,449,685,030	+	$132,873,119	$2,248,965,343	+	$333,592,806

E. C. Drury—Farmer, Politician, Business Man

E. C. Drury, a few days ago a figure of comparative obscurity, has been called to become the leader of the Farmers' and Labor party in Ontario. As a new and untried leader, he is a figure not without interest. As the acknowledged head of the successful Farmers' movement, with all the unknown possibilities and potentialities of such a movement he is a figure of more than province-wide moment.

There are some who have felt cheered by the fact that the new leader is a conscription Liberal; there are others who have felt this a ground for depression. They have argued that party affiliations are stronger than water, and have deduced opinions therefrom. But, be it remembered that this Cincinnatus from Crown Hill, Ontario, has never been known as a "safe man" by the dyed-in-the-wool Liberal. He is, as a matter of fact, first, last, and always, "his own man." Intelligent, well read, a man of force and convictions, ready always to listen and open to conviction, but rigidly dogmatic on all fundamentals. He cannot be used by any party or clique. He is bound to no party shibboleths, but seems a man able and willing to plough a new furrow. He has run his own farm successfully, not after the methods of his grandfathers, nor yet after the methods of the day after tomorrow. He owns a tractor, and drives it himself when necessary. He did not purchase the first tractor, nor yet the last, which is perhaps indicative of his type of mind. He is a common-sense man, not quick to jump at conclusions, proving the case as he goes along, and moving only along lines that his own judgment assures him are right.

E. C. Drury and the National Policy were born in the same year, and since the time that he was strong enough to raise a hand he has fought that issue sturdily. That is probably one of the essential considerations in dealing with the new leader and his possible attitude to business. He is a man that knows the tariff, and that knowledge has not created an enduring affection. Like Lincoln, he gained and strengthened his knowledge in the most vital political issue of his time in the hard school of debate. Like Lincoln, Drury came out of his debates with A. W. Wright of the Imperial Mission and T. A. Russell of the Canadian Manufacturers' Association, not only with his political bridges burned behind him, but with a clear, cold, personal belief in the cause that he championed. The fact that the cause he championed was defeated at the polls did not change his viewpoint for a moment.

Mr. Drury is then an opponent of the tariff, but he is not a visionary. He is a practical man, ready to face the cold fact that revenues do not grow on rose bushes, and if his counsel is sought at Ottawa there is no question that his influence will be in favor of a moderate tariff for revenue purposes only. So much is sure. He is not an out-and-out free trader, at least in practice, but a man who sees in the tariff a means to an end, and that end not to safeguard the interests of any class or industry. The investigations of comparatively recent date, with their charges of excessive profits, have convinced him at least, that there is need for a change, and in as far as the matter lies in his hands there may be expected a merciless warfare on all combines.

The new Leader is known as the friend of Hydro. On various occasions he has spoken of his allegiance, and always with the assurance that there would be no curtailment of this work. A recent interview, however, seems to indicate that his enthusiasm for the project will be tempered with a desire to be assured that its forward movement is founded on a sound basis. "While we could not allow the financial strength of the Province to be absorbed by Hydro enterprises," he stated recently, "we will approach every proposal on a business basis, and any that promise a fair return will have our warmest support."

In as far as his general attitude to business is concerned, there is nothing but the nature of the man to give any indication of his political policy. There is this, however, that he has run a successful farm, and while he has not perhaps made a fortune, has left that farm in a substantially better position than when he received it from his father. In a rural community he owns a beautiful home with all the urban advantages. He marches with the times, as a man who believes in the comforts and amenities of life. He is in his everyday life as in his politics, a progressive.

He stands firm with the farm interests. As well as being a practical farmer he was once master of the Dominion Grange. He was a member of the "Patrons of Industry," though he took no part in their legislative activities. He is a graduate of the Ontario Agricultural College, and was for a time instructor at MacDonald College, Ste. Anne de Bellevue, Que. He has lectured on farm topics for the Farmers' Institute. He is known widely as the best of comrades, a good mixer, and a splendid speaker, whether on the platform or on one of the quiet fishing expeditions that he loves.

Taken altogether, the new leader is a man of no mean parts. He is, moreover, a man with a large stake in the country, with a good farm and a growing family. His interests are the interests of the man who has a real and tangible investment in the community that must be protected.

He is at the head of a group that, barring the idea of working with their hands, have comparatively little in common. He has to hold these two forces in hand and to guide them among the rocks of Parliamentary procedure, with which neither he nor his associates are too familiar. He has a man-sized job on his hands, but he has shown in the past that he was ready to put his heart and his ability and his conscience and his brains into the work, and with such a combination, for all the uncertainty, there is a reasonable assurance of a safe and sane Government.

U. S. CHINESE LOAN

An Issue of $15,000,000 is Being Planned

NEW YORK.—American bankers are working on plans for the extension of a loan of $15,000,000 to China. It is understood that the Chase Securities Co. of New York and the Continental & Commercial Trust & Savings Bank of Chicago will head the syndicate that will advance the Chinese $15,000,000 and have made a fixed commitment for this sum, which may later be raised to $25,000,000.

The Republic of China has a $5,000,000 loan maturing here on November 1. This was an issue of three-year 6 per cent. gold loan Treasury notes, and was floated on November 1, 1916. It is said that part of the proceeds of the new loan will be used to retire this issue.

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RALPH CONNOR

On "The New Canada and Its Needs"

RALPH CONNOR, the famous Canadian novelist, who served for several years at the front and saw the war from many angles, is convinced that Canada must be prepared to make important changes if she is to profit by the lessons of the war. He has written a series of articles embodying his views and calling vigorously on patriotic Canadians to awake to the needs of the hour. The articles, which deal with economic, social and Imperial topics, were written for MACLEAN'S MAGAZINE and the first appears in the November issue, under the title: "The New Canada and Its Needs."

Every Mother Who Lost a Son at the Front

will read with deepest feeling Nellie McClung's wonderful story, "Men and Money," which also appears in November MACLEAN'S. Mrs. McClung wrote this story with a purpose—to show the ease with which the world forgets the contribution these mothers made. But it is also a very fine story—real, human and gripping.

"The Idle Hands at Ottawa"
By J. K. MUNRO

The recent session of the Dominion House was in many respects an idle one. There was not a great deal done, so the members had a lot of time to stir up things, and the result was some hugely interesting political situations. All of which J. K. Munro tells about in his usual unsparing and tersely humorous way.

Remarkable Features of a Remarkable Number

The November MACLEAN'S is cram full of other big features—famous writers on vital subjects and everything Canadian. Look over this list:

Baroness Orczy—The author of "The Scarlet Pimpernel," best seller of best sellers, is represented by a serial story, "His Majesty's Well Beloved."

Robert W. Service.—The great poet of the Yukon and the battle front contributes a strong poem, "The Outlaw."

Basil King.—This great novelist who lives abroad contributes an interesting discussion on "Why I Remain a Canadian."

Janey Canuck.—An article on Mrs. Murphy's experiences as the first woman magistrate in the whole of Canada.

Camilla Kenyon.—A new novelist who promises to become a great favorite, tells a humorous story of adventure, and treasure, "Spanish Doubloons."

Stephen Leacock.—A humorous sketch entitled, "My Memories and Miseries as a School Master."

"Two Men and an Idea That Grew and Grew and Grew."—By Charles Christopher Jenkins.—A sketch of two remarkable and practically unknown Western millionaires.

"A Little Bit of Chicken Feed."—By Allen C. Shore.—A bright story combining love and business themes.

"The Rainbow Death."—By Madge Macbeth. An interesting detective story.

"The Search for Missing Men."—By Gertrude Arnold. An article on hospital experiences at the front by a young Canadian V.A.D.

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